AIG Group Long-term Disability
Employer-funded insurance plan description
for 2 to 9 insureds
Your Single Source of Benefits for Employers and Employees

Now fully backed by strong AIG underwriting companies, our new products make us easier than ever to do business with.

Employers have been confidently turning to us for more than a half-century to provide group products that meet their employee benefits needs. Today, member companies of AIG serve more than 100,000 firms with our portfolio of products and services. All have chosen us for one overriding reason: We Know Benefits.SM

Drawing on our considerable experience, we’ve developed a line of products and services designed for small to broad middle-market employers. As always, we deliver our products with a focus on value, affordability, convenience and service — from the moment of sale throughout the life of the plan.

We offer you:

• Products with more benefits — to help attract and retain good employees
• Greater plan flexibility — to better fit your specific needs
• Simplified processes — to reduce your administrative burden
• Responsive, professional service from your own team of specialists

For more information on AIG Employee Benefits insurance products, contact your AIG Employee Benefits Sales Representative, Agent or Broker. Or visit www.AIGemployeebenefits.com.
AIG Group Long-term Disability

We Know Disability.SM
Our employer-funded AIG Group Long-term Disability (LTD) insurance protection has been thoroughly redesigned and improved for you and your employees. This new coverage not only gives your employees needed financial assistance through an extended disability, our new rehabilitation program options and financial incentives encourage them to return to work as soon as possible. That’s good for you and your employees alike.

New features for more flexibility
AIG Group LTD insurance allows you the flexibility to put together the best possible plan for your company and industry. Features and options include:
• Rehabilitation program with a suite of benefits including:
  — return to work incentive benefit
  — childcare expense payments
  — education benefit
  — workplace modification benefit
• Increased benefit schedule
• More pre-existing condition limitation options
• Minimum monthly benefit
• Workplace modification provision
• Regular occupation period commences upon expiration of the elimination period, rather than from the date of disability
• Partial disability benefit options
• 24-month rate guarantee

Plus, these value-added services are included:
• Easier administration takes the burden off of you — and makes us easier to do business with
• My Life ValuesSM from Work & Family Benefits, Inc.*, at no additional cost, features online work-life resources, valuable research and information capabilities and online buying discounts at national vendors

* Work & Family Benefits, Inc. services are provided exclusively by Work & Family Benefits, Inc. These services are not insurance and are not provided by one of the AIG member companies.
Participation requirements
If employees contribute to the cost of the LTD insurance plan, at least 75 percent of the eligible employees must enroll for coverage. If the employer pays the entire cost of the plan, all eligible employees must enroll for coverage.

Duration of benefits
The standard benefit duration is to age 65 (ADEA1). Monthly benefits will be paid up to the maximum benefit duration quoted. Payments for a claim will stop, and the claim will end at the earliest of:

• The end of the maximum benefit duration period
• The date the employee is no longer disabled
• The date the three-month average of disability earnings exceeds the maximum amount allowable in the policy
• The date the employee fails to give proof of continuing disability
• The date the employee declines to participate in or cooperate in a rehabilitation evaluation/assessment or program that the insurance carrier considers appropriate for the disability and that has been approved by a doctor*
• The date the employee ceases to be under the regular care of a doctor, or refuses to be examined or interviewed, if the insurance carrier requires such an examination or interview
• The date the employee refuses to receive recommended treatment that is generally accepted in the practice of medicine by doctors to cure, correct or limit the disability
• The date the employee dies
• The date the employee is able to return to work on a part-time basis but chooses not to during the first 24 months of disability following the elimination period
• After 24 months of disability following the elimination period when the employee is able to work in any gainful occupation and chooses not to

* Inclusion may vary.

Definition of regular occupation
The occupation routinely performed by the employee at the time the disability began. The company will look at the occupation as it is normally performed in the local economy, instead of how the work tasks are performed for a specific employer or at a specific location.

Definition of gainful occupation
An occupation that is, or can be, expected to provide the insured person with an income equal to 60 percent of the indexed monthly earnings within 12 months of returning to work.

Elimination periods
The standard 180-day elimination period is a period of continuous disability that must be satisfied before the employee is eligible to receive benefits. Depending on the employer’s budget, an elimination period of 90 days may be chosen.
Payment of benefits

DISABLED AND NOT WORKING
If claimant is disabled and not working, the monthly payment will be calculated by taking the gross monthly payment (GMP) from the schedule of benefits in the group policy and subtracting all deductible sources of income and taxes.

DISABLED AND WORKING
Benefits may be paid if a claimant is disabled and working, and the disabled earnings are between 20 and 80 percent of the indexed monthly earnings. See below for a description of the partial disability benefits options.

Our definition of monthly earnings is the monthly compensation given to the employee from the employer.

Monthly earnings will include:
• Average monthly salary
• Hourly wages (but not for more than 40 hours per week)
• Regular hourly wages (but not for more than 40 hours a week)
• Commissions averaged over the preceding 24 months or the period of insured's employment if less than 24 months (52 weeks for STD)
• If a partner, prior year’s K-1, W-2, S-Corp federal tax statement
• Shift differential
• All contributions to 401(k), 403(b) or similar instruments

Monthly earnings will not include:
• Bonuses
• Overtime pay
• Extra compensation
• Employer contributions to any employee’s deferred compensation plan or pension plan
• Income earned as a private contractor on IRS form 1099
• Stock options

Partial disability benefit payment
Our plan offers the following partial disability payment option:
Proportionate loss — gross disability payment less the calculated percentage of lost income, all deductible sources of income and disability earnings

Definition of disability
Inability to perform all of the material and substantial duties of the regular occupation due to sickness or injury, and an indexed monthly earnings loss of 20 percent or more.

Survivor benefit
If an employee dies after receiving disability benefits for at least 180 consecutive days, a survivor benefit will be paid to the eligible survivor as a lump sum equal to three times the employee’s monthly payment.
Waiver of premium
No premium is due while an insured is receiving monthly long-term disability benefits. When the insured stops receiving benefits, premiums must again be paid when due.

Mental illness, alcoholism and drug abuse limitations
Disabilities due, in whole or part, to mental illness, alcoholism or drug abuse have a limited pay period of 24 months during the employee's lifetime, following the end of the elimination period, as specified in the group policy. Other options may include a pay period of 12 months and a per occurrence or lifetime option — each of which would have cost implications.

Self-reported limitations
Disabilities due to self-reported symptoms have a limited pay period, following the end of the elimination period, as specified in the group policy.

Rehabilitation program (if quoted)
We offer a rehabilitation program option. As a claim is reviewed, a rehabilitation program specialist will analyze medical and vocational information to determine if rehabilitation services might help return the employee to work. Once the initial review is completed, our specialist will work along with doctors and other appropriate specialists to develop a rehabilitation program.

The rehabilitation program may include, but is not limited to, the following services:
• Coordination with the employer to assist the employee's return to work
• Evaluation of adaptive equipment to allow the employee to work
• Vocational evaluation to determine how the disability may impact the employee's employment options
• Job placement services
• Resumé preparation
• Job-seeking skills training
• Retraining for a new occupation

The rehabilitation program may also include payment of some medical and moving expenses.

BENEFIT DURATION AND AMOUNT
While in an approved rehabilitation program the company may pay a payment equal to an additional five percent of the gross monthly benefit up to a maximum of 12 months.
Workplace modification benefit (standard with rehabilitation program)
If an employee is disabled and receiving a monthly benefit payment, an additional workplace modification benefit may be payable to the employer. The benefit will reimburse the employer for up to 100 percent of reasonable costs incurred for modifications to the workplace to accommodate an employee’s return to work, or to assist in remaining at work. This benefit is available on a one-time basis.

BENEFIT MAXIMUM
The lesser of $10,000 or the liability of the LTD claim

Pre-existing conditions
This plan contains a pre-existing condition limitation. Please refer to the group policy for specific provisions. Pre-existing conditions mean any injury or sickness, for which the person incurred charges, received medical treatment, consulted a physician, or took prescribed drugs within a number of months specified before becoming insured. If the disability is due to a pre-existing condition and it begins within the specified number of months from the date the employee becomes insured, no benefits will be paid.

Continuity of coverage on transfer of carriers
If an employee’s disability is due to, caused by, or contributed to by a pre-existing condition, and it begins within the designated number of months after the effective date of coverage under the group policy, no benefits will be paid.

If a pre-existing condition exclusion is included in the group policy, benefits may be payable for a disability due to a pre-existing condition if:

a. the employee was actively at work on the date of transfer
b. the employee was insured under the group policy on its effective date

The benefits payable will be the lesser of:

a. the full benefit payable under the group policy
b. the benefit under the prior plan

Any time applied toward satisfying the elimination or waiting periods of the same or similar provisions under the prior plan will be credited toward the group policy.
Deductible sources of income
The following sources of income will be subtracted from gross disability payments.

The amount received or entitled to receive as loss-of-time benefits under:
• Workers’ compensation law
• Occupational disease law
• Any other similar act or law

The amount received or entitled to receive as loss-of-time disability income payments under:
• State compulsory benefit act or law
• Other group insurance plans
• Governmental retirement system
• Automobile liability insurance policy*

The amount received or entitled to receive by the employee, spouse and children under 18 as loss-of-time disability payments due to the employee’s disability or retirement under:
• United States Social Security Act
• Railroad Retirement Act
• Canada Pension Plan
• Quebec Pension Plan

The amount the employee receives under:
• Disability benefits from current employer’s retirement plan
• Retirement payments from current employer
• Retirement payments at later of age 62 or normal retirement age
• The Jones Act
• Third-party settlements
• Unemployment
• Mandatory portion of no-fault motor vehicle plan*
• Salary continuation or sick leave
• Individual disability income plans
• Franchise disability income plans

*Inclusion may vary based on state laws or regulations not allowing group benefits to be reduced by such benefits.
Non-deductible sources of income
The following sources of income will not be subtracted from gross disability payments:
• 401(k) plans, profit sharing plans
• Profit sharing plans
• Thrift plans
• Tax sheltered annuities
• Stock ownership plans
• Credit disability insurance
• Non-qualified plans of deferred compensation
• Pension plans for partners
• Military pension and disability income plans
• A retirement plan from another employer
• Individual Retirement Accounts (IRA)

Additional benefits
Additional benefits may be available with Home Office Underwriting approval. For more information, contact your AIG Employee Benefits Sales Representative, Agent or Broker.

Exclusions
The group policy does not cover any disability caused by, contributed to by, or resulting from:
• Loss of professional license, occupational license or certification
• Intentionally self-inflicted injuries while sane or insane
• Active participation in a riot
• Attempting to commit a crime, or commission of a crime for which the insured has been convicted under federal or state law
• Insurrection, declared or undeclared war, or any act of war

In addition, a benefit will not be paid for any period of disability during which the insured is incarcerated as a result of a conviction.
Employee Benefits products underwritten by:

**AIG Life Insurance Company***
Wilmington, DE

**American International Life Assurance Company of New York**
New York, NY

*Member companies of American International Group, Inc.*
www.AIGemployeebenefits.com

The enclosed proposal contains insurance products which may be underwritten by one or more of the above-listed insurance companies. Consult the proposal(s) for the insurance company(s) providing specific coverage(s).

The underwriting risks, financial obligations and support functions associated with the products issued by the above-listed companies are solely the responsibility of each individual issuing company. Each of the above-listed companies is responsible for its own individual financial condition and contractual obligations.

This brochure is a summary only of products and services offered. All products are subject to the terms, conditions, limitations and exclusions of the policy. Actual offerings may vary by group size and by state. Please see policy and certificate for details.

An employer-funded program may be funded 100 percent by the employer or a combination of both employer and employee funding.


* AIG Life Insurance Company does not solicit business in the state of New York.

AIG American General is a division of American International Companies*, and is the branding name for the collective group of products offered by the above-listed insurance companies.

**AIG GLOBAL BENEFITS NETWORK™**
The AIG Global Benefits Network™ part of the AIG Group Management Division (GMD), is the only network with market-leading positions in North America, Asia, Latin America, the Middle East and Europe. AIG Global Benefits Network products and services are offered through the various life companies of American International Group, Inc., including AIG American General.

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