

**Long-Term and Short-Term Disability (LTD and STD)** insurance provides income replacement for plan members who become disabled and are unable to work due to accident, illness or injury. It typically covers a percentage of your pre-disability earnings.

**Life Insurance** is a benefit that provides financial protection in the event of your death. The policy pays a lump sum of money to your designated beneficiary(ies).

Typically, the amount of coverage is based on a multiple of your annual salary. Coverage available through a benefit program will include both an overall maximum and a non-evidence maximum (NEM). The specific NEM amounts can vary from one group insurance plan to another, and are determined by the insurance provider based on a number of factors.

### What is an NEM?

The non-evidence maximum (NEM) refers to a plan member's maximum coverage amount (based on annual salary and plan design) for Life, STD, and/or LTD without having to answer medical questions or undergo a medical exam. A member is automatically eligible for coverage up to the NEM limit without the need to provide proof of good health.

If, based on your salary, the benefit amount is higher than the NEM, your coverage will be capped at the NEM unless you choose to apply for the excess insurance and provide the required medical evidence.

### Why apply for Excess Coverage?

- \* Coverage in excess of the NEM will provide you with a disability income closer to what you were earning prior to the disability. Additional life insurance, above the NEM, will help ensure your named beneficiaries receive additional funds to assist with funeral and estate costs.
- \* Having the appropriate amount of coverage provides peace of mind knowing you have the appropriate financial protection in the event you are unable to work.
- \* The benefit paid to you or your beneficiaries will be based on the coverage in force at the time of claim (i.e. the date of your death or disability). For this reason, it is important you apply for the excess coverage as soon as you are eligible.

### What is the application process

- \* Once advised you have excess insurance available over the NEM, you may choose to complete a medical questionnaire for review and consideration by the insurance carrier. Any fees incurred for additional medical testing requested are paid for by you and will not be reimbursed by the group plan.
- \* If excess coverage is approved, your coverage will increase, and the your premiums will increase accordingly.
- \* If excess coverage is declined, you will remain at your level of coverage.

*\* This is not a legal document, and is intended solely for informational purposes.*