

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

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

Typically, the amount of coverage is based on a multiple of the employee's annual salary. Coverage available through a benefits program includes 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 the maximum coverage amount a member can receive (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 a member's salary results in a benefit amount higher than the NEM, their coverage will be capped at the NEM unless they choose to apply for the excess insurance and provide the required medical evidence. *See Non-Evidence Maximums*

Increasing the NEM when available

At each annual renewal, your insurance carrier may review your current NEM and provide an opportunity to increase this limit. If the NEM is increased for the entire plan, all actively-at-work members who are currently capped at the NEM will automatically have their coverage increased to the new limit - without the need to submit medical evidence. This is a simple way to enhance coverage for eligible members, and is always recommended.

Benefits to the Employer

- * **Attract and Retain Talent** - Offering higher coverage amounts makes your benefits package more competitive, helping to attract and retain top employees.
- * **Simplified Administration** - Fewer employees will need to submit medical evidence, reducing the administrative workload for both your team and the insurance carrier.
- * **Lower Organizational Risk** - Minimizing gaps in employee coverage can reduce potential liability for your organization in the event of a claim.

Benefits to the Employee

- * **Increased Coverage without Medical Evidence** - Members may automatically receive higher coverage amounts, which is especially valuable for those who might not qualify due to existing health conditions.
- * **Enhanced Financial Protection** - Greater coverage offers peace of mind, knowing their loved ones are better protected in the event of a claim.
- * **Simplified Enrollment** - Fewer requirements to submit medical evidence makes the process easier and more accessible for everyone.

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