

# Long Term Disability Insurance Options



**MESSA**<sup>®</sup>  
www.messa.org

# **Long Term Disability Insurance**

**Group Insurance for  
School Employees**

## INTRODUCTION

This booklet will help you understand MESSA's Optional Long Term Disability plan. We hope you find it useful and easy to understand.

If you have questions, please call any of the following nationwide toll-free numbers:

- |   |              |
|---|--------------|
| - MESSA Member Services Center                      | 800.336.0013 |
| - Field Services                                    | 800.292.4910 |
| For questions directed to your Field Representative |              |
| - MESSA Disability Department                       | 800.247.6951 |

## TABLE OF CONTENTS

WHO IS ELIGIBLE FOR COVERAGE.....	6
WHEN COVERAGE IS EFFECTIVE.....	7
WHEN COVERAGE TERMINATES.....	7
GENERAL PROVISIONS.....	8
LONG TERM DISABILITY.....	10
WHAT IS PAYABLE.....	10
PRE-EXISTING CONDITIONS FOR LONG TERM DISABILITY INSURANCE.....	10
WAITING PERIOD.....	10
HOW MUCH.....	10
SINGLE SUM PAYMENTS UNDER OTHER PLANS.....	11
MONTHLY BENEFIT.....	11
WHEN DO BENEFITS BEGIN AND END.....	11
WHAT IS “DISABLED”.....	11
SUCCESSIVE PERIODS OF DISABILITY.....	12
HOW TO FILE A LONG TERM DISABILITY CLAIM.....	12
NOTICE OF CLAIM.....	12
PROOF OF LONG TERM DISABILITY.....	12
GENERAL DISABILITY PROVISIONS.....	13
CLAIM FORMS.....	13
TIME OF PAYMENT OF CLAIMS.....	13
PAYMENT OF CLAIMS.....	13
NOT COVERED.....	13

**LIFE INSURANCE COMPANY OF NORTH AMERICA**

hereby certifies that members of

**MICHIGAN EDUCATION SPECIAL SERVICES ASSOCIATION**  
(Herein called the Policyholder)

who are insured under Group Policy Number FLK-980020 issued by Life Insurance Company of North America are, subject to the terms and conditions of said Policy, insured for the benefits described in the pages of the booklet.

This Certificate, which is furnished in accordance with, and subject to, the terms of the Group Policy, replaces any and all Certificates previously issued to you by the Insurance Company under the Group Policy specified above covering the insurance described herein. This is not the contract of insurance. Each policy and the application of the Policyholder for it constitute the entire contract. This Certificate is merely evidence of insurance provided under the Group Policy. The insurance is effective only after the person concerned is eligible for insurance and becomes and remains insured in accordance with the terms, provisions and conditions of the Group Policy.

## **WHO IS ELIGIBLE FOR COVERAGE**

The following individuals are eligible to become members of the Michigan Education Special Services Association (MESSA) and may apply for coverage:

- any active, associate, service associate, or student member of the Michigan Education Association (MEA) as defined in the MEA bylaws;
- any member of a bargaining unit in an educational agency in which a local association of MEA is the recognized bargaining agent and has negotiated MESSA benefits for its members;
- any administrator employed by an educational agency in which a local association of the MEA is a recognized bargaining agent and has negotiated MESSA benefits for its members;
- any other eligible individual as defined in the Michigan Education Special Services Association (MESSA) bylaws as constituted on May 20, 1988, as amended.

An application is required if you are:

- enrolling for the first time;
- changing coverages; or
- changing school districts.

**IT IS YOUR RESPONSIBILITY TO NOTIFY MESSA AND YOUR EMPLOYER OF ANY CHANGE IN YOUR EMPLOYMENT STATUS.**

## WHEN COVERAGE IS EFFECTIVE

The following information details the guidelines for your effective date of coverage:

### Employee

- If you are a new employee and enroll for coverage within 31 days following the date you became eligible, your coverage will be effective on the date you became eligible, if your coverage is approved. In either case this is the date approved by MESSA and verified by your employer. The date you became eligible will be the later of:
  - (1) your date of employment; or
  - (2) the day following completion of your employer's eligibility waiting period, if applicable.
- During open enrollment, the effective date of coverage for all new applications and coverage changes will be that date approved by MESSA and verified by your employer.
- If your application is submitted at any other time, your coverage will be effective on the first day of the month following approval of your application by MESSA.
- If you are absent from work because of injury or sickness on the date your coverage would otherwise become effective, your coverage will not become effective until the day you return to active work. To be considered actively at work for coverage purposes, you must be physically and mentally able to perform your normal duties for a regularly scheduled workday when you report to work.

## WHEN COVERAGE TERMINATES

**Termination of Employment:** Coverage will end on the last day of the month in which you terminate employment.

**Non-payment of Contributions:** Coverage will end on the last day of the month preceding the month for which the required contribution has not been received by MESSA.

**Termination of Employer's Participation:** Coverage will end on the last day of any month in which your employer ceases to participate under the Group Policy with the Insurance Company.

**Members No Longer Eligible:** Coverage will end on the last day of the month in which a member no longer meets the eligibility criteria described in "Who is Eligible for Coverage".

**Termination of the Group Policy:** Coverage will end on the date the Group Policy terminates.

NOTE: If you cease active work or leave school employment, contact MESSA Membership to determine what arrangements, if any, may be made to continue coverage. Also, see specific plan descriptions.

## GENERAL PROVISIONS

### **Time Limit on Certain Defenses**

A claim will not be denied nor will the validity of coverage be contested because of any statement about insurability made by you while eligible for coverage under the Policy, if:

- the insurance has been in force for at least two years before any such contest; and
- the person about whom such statement was made was alive during those two years.

### **Release of Information**

Each person covered under these plans authorizes Physicians, Hospitals and other providers of service to furnish to MESSA and the Insurance Company, upon their request, information about treatment which the covered person may have received. Physicians, Hospitals and other providers of services are authorized to permit MESSA and the Insurance Company to examine their records about the services and to submit to MESSA and the Insurance Company reports of the services in the detail MESSA and the Insurance Company request. All information related to treatment of the covered person will remain confidential except when used to determine rights and liabilities arising under these plans.

### **How to Appeal a Claim Denial**

If you do not agree with a claim denial, you may request that a review be made of your claim. You should submit a written request for review of your claim within sixty days after receiving a notice of denial. Your request should be addressed to MESSA Benefits Administration.

You may submit additional information with your request for review. You may request and receive copies of pertinent documents, although in some cases, authorization may be needed for the release of confidential information, such as medical records. You should submit the facts and any supporting comments in writing.

A decision will be made by MESSA and the Insurance Company within 60 days following MESSA's receipt of request for review or the date all information required of you is furnished, whichever date is later. The decision will be in writing and will specify the reasons for the final decision.

### **Contest**

No action or suit at law may be commenced upon or under this plan until 30 days after notice has been given by the member to MESSA and the Insurance Company that the reconsidered decision of MESSA and the Insurance Company under their claim review procedure is unacceptable, nor may such action be brought at all later than 3 years after such claim has arisen.

### **Right of Recovery**

If an overpayment is made due to any reason, including but not limited to a payment under any Workers' Disability or Occupational Disease Act or Law, Social Security Award, benefits under another disability plan, clerical error, misstatement of age or misstatement of salary, MESSA and the Insurance Company shall have the right to recover such overpayments from the covered member or beneficiary, or to deduct such overpayment from future benefits.

If there is a recovery by you, whether by judgment, settlement, retroactive award or otherwise, you shall reimburse MESSA and the Insurance Company to the extent of the total amount of such benefits paid under this plan, and applicable interest. However, the reimbursement shall not exceed the proceeds of any such recovery after the deduction of reasonable and necessary expenditures, including attorney's fees, incurred in effecting such recovery.

NOTE: If a voluntary pay compromise, redemption, withdrawal of a petition for mediation or hearing, or any other type of settlement is made without our approval, e.g., for a work related claim or retirement settlement, we will subtract an estimated disability compensation award as long as you continue to be eligible for disability benefits.



## **GENERAL PROVISIONS (Continued)**

If you incur expenses on account of bodily injury or sickness, caused by or alleged to have been caused by negligence, wrong or act of a third party and benefits are payable under this plan, you will receive the benefits. However, if there is recovery by you or a personal representative from the third party, or his/her personal representative, whether by voluntary payment, judgment, settlement or otherwise, on account of such bodily injury or sickness, you or your personal representative shall reimburse MESSA and the Insurance Company to the extent of the total amount of such benefits paid under this plan, and applicable interest. However, the reimbursement shall not exceed the proceeds of any such recovery after the deduction of reasonable and necessary expenditures, including attorney's fees, incurred in effecting such recovery.

You will reimburse us on all money you or your personal representatives receive.

You grant us the right to intervene in your lawsuit for the purpose of enforcing our lien.

You agree to inform us when you hire an attorney to represent you, and to inform your attorney of our rights under this plan.

You agree not to reach any settlement or take any action which would prejudice our rights and interests.

You are required to do whatever is necessary to help us enforce our right of recovery.

NOTE: If you refuse or fail to cooperate with us under this section, we may hold you liable for the amount of benefits we have paid and any legal fees and expenses we incur in obtaining reimbursement.

### **Medical Examination**

MESSA, at its own expense, shall have the right and opportunity to have an individual examined by a Physician of its choice as often as it may reasonably require.

### **Definition of Physician**

A "Physician" is a doctor of medicine (MD) or osteopathy (DO) legally qualified and licensed to practice medicine and perform surgery at the time and place services are performed. An optometrist, dentist, midwife, podiatrist, or a doctor of chiropractic who is legally qualified and licensed to practice at the time and place services are performed is deemed to be a Physician to the extent that the doctor renders services which he/she is legally qualified to perform.

A "Physician" is also a person who is licensed under Act 368 Public Acts of Michigan 1978, as a fully licensed psychologist at the time services are performed. In a state where there are no certification or licensure requirements, a psychologist is one who is recognized as such by the appropriate professional society at the time and place services are performed.

### **Definition of a Hospital**

"Hospital" is a facility which, in return for compensation from its patients, provides diagnostic and therapeutic services on a continuous inpatient basis for the surgical, medical or psychiatric diagnosis, treatment, and care of injured or acutely sick persons. The services are provided by or under the supervision of a professional staff of licensed Physicians and surgeons. A Hospital continuously provides 24-hour-a-day nursing service by registered nurses. A Hospital is not, other than incidentally, a place for custodial, convalescent, pulmonary tuberculosis, rest or domiciliary care; an institution for exceptional children; an institution for the treatment of the aged or substance abusers; or a skilled nursing facility or other nursing facility. A Hospital must meet all applicable local and state licensure and certification requirements and be accredited as a hospital by state or national medical or hospital authorities or associations.

## LONG TERM DISABILITY INSURANCE

### WHAT IS PAYABLE

The monthly benefits are payable if you become Disabled by accidental injury or sickness while insured and remain Disabled beyond the Waiting Period. You must be under the regular care and attendance of a Physician (see definition of "Physician").

### PRE-EXISTING CONDITIONS FOR LONG TERM DISABILITY INSURANCE

A pre-existing condition is any injury or sickness or related medical condition for which medical advice, care or treatment (including prescription drugs) was received during the three-month period ending on the effective date of coverage. In the event you have a pre-existing condition, no benefits are payable for Disability for that condition. This pre-existing provision expires on the earlier of:

1. A period of three (3) consecutive months ending on or after the effective date of your insurance if during this time you did not incur any expenses or receive medical treatment or services (including prescribed drugs or medicines) in connection with such injury, sickness or any related conditions;
2. A period of twelve (12) consecutive months if during this time you have been continuously insured.

The pre-existing provision shall also apply with respect to any increased Monthly Benefit amount or change in the Maximum Benefit Period to Option 2. All time periods are determined from the effective date of the increased Monthly Benefit.

### WAITING PERIOD

Waiting Period.....52 consecutive weeks of Disability

If you are covered under the Short Term Disability plan offered by MESSA, your Waiting Period will be 52 consecutive weeks of Disability plus the Waiting Period of the Short Term Disability plan.

### HOW MUCH

The Maximum Monthly Benefit while Disabled shall be the amount you have elected.

Monthly salary is defined as one-twelfth (1/12<sup>th</sup>) of your contracted annual school salary at the time you became Disabled.

The Monthly Benefit will be the lesser of:

- (1) the amount you have elected; or
- (2) 70% of your monthly salary minus other income sources.

### Other Income Sources

1. Any earnings, including salary, wages, commissions or similar pay, you receive or are entitled to receive from work including earnings from your employer, any other employer or self-employment.
2. The amount of any disability or retirement benefits you receive from your employer's retirement or pension plan, including the Michigan Public School Employees' Retirement Fund.
3. Any amount you and/or your dependents receive or are eligible to receive from Social Security or Railroad Retirement by reason of your disability or retirement.
4. Any amount you receive or are eligible to receive as a periodic benefit for disability under:
  - (a) any employer's, labor-management trustee, or union employee benefit plan; or
  - (b) any governmental (not military) agency, program or coverage required or provided by law; e.g., Workers' Compensation or non-coordinated wage loss benefit under no-fault automobile coverage.
5. Any Employer's life insurance plan because of disability.

NOTE: Until you submit proof satisfactory to the Insurance Company that you are not entitled to the disability benefits provided above, the Insurance Company will assume that you are entitled to the maximum amount of such periodic benefit, including dependent benefits.

## LONG TERM DISABILITY INSURANCE (Continued)

### SINGLE SUM PAYMENTS UNDER OTHER PLANS

If any of the above forms of benefits are made in a single sum payment, the Monthly Benefit will be reduced. The Monthly Benefit will be reduced as if the single sum had been received in the amount and time period of the original periodic payment.

### MONTHLY BENEFIT

The Maximum Monthly Benefit will be the amount you elect to enroll for as determined in the following table. Your contracted annual school salary includes only basic earnings but not overtime pay, bonuses, part-time employment, etc., in computing your salary.

Contracted Annual School Salary	Monthly Allowance Benefit
\$ 2,000 - 3,999	\$ 100
4,000 - 5,999	200
6,000 - 7,999	300
8,000 - 9,999	400
10,000 - 11,999	500
12,000 - 13,999	600
14,000 - 15,999	700
16,000 - 17,999	800
18,000 - 19,999	900
20,000 - 21,999	1,000
22,000 - 23,999	1,100
24,000 - 25,999	1,200
26,000 - 27,999	1,300
28,000 - 29,999	1,400
30,000 +	1,500

If your coverage has been extended while on an employer approved leave of absence with pay, your Monthly Benefit will automatically adjust in proportion to your basic earnings while on such leave.

### Maximum Benefit Period:

- For Other Than Mental or Nervous Disorder  
Option 1: up to 5 years, but not beyond the day before your 70<sup>th</sup> birthday; or  
Option 2: not beyond the day before your 70<sup>th</sup> birthday.
- For Mental or Nervous Disorder  
two (2) years during any one period of disability, but not beyond the day before your 70<sup>th</sup> birthday.

### WHEN DO BENEFITS BEGIN AND END

Monthly Benefits will begin on the first day after the Waiting Period and will be payable while you remain Disabled, if proof of your Disability is given to the Insurance Company. Benefits will not be payable beyond the earlier of:

- the Maximum Benefit Period for any one period of Disability; or
- the day before your 70<sup>th</sup> birthday.

### WHAT IS "DISABLED"

You are "Disabled" if you are wholly and continuously unable during the first two (2) years of any one period of Disability to perform any and every duty pertaining to your regular occupation. During the remainder of such period of Disability, you must be unable to engage in any occupation or perform work for compensation or profit for which you are, or may become, reasonably fitted by training, education or experience.

## LONG TERM DISABILITY INSURANCE (Continued)

You must be under the regular care and attendance of a Physician for your disabling condition. This Disability must be substantiated by appropriate documentation from your attending Physician and acceptable to the Insurance Company. (See definition of "Physician".)

### SUCCESSIVE PERIODS OF DISABILITY

Successive periods of Disability will be treated as one period of Disability unless:

1. You worked or could have worked, had school been in session, for at least 1 day between periods of Disability due to different and unrelated causes; or
2. The Disability is due to the same or a related cause and is separated by more than 6 consecutive months.

### HOW TO FILE A LONG TERM DISABILITY CLAIM

If you are insured under both MESSA's Short Term Disability and Long Term Disability plans, the MESSA Benefits office will automatically send you the necessary claim forms and filing instructions after you receive Short Term Disability benefits for 9 months.

If you are not insured under MESSA's Short Term Disability plan, at the beginning of your Disability you should:

1. Notify your employer that you are initiating a Long Term Disability claim and ask them to complete an Employer Statement.
2. If the Disability is the result of a job injury or illness, a claim should be submitted to the Worker's Disability Compensation carrier or administrator.
3. Complete in detail the Member Report for Disability Income Benefits form.
4. Take the Physician Report For Disability Benefits form to your Physician to be completed. The Physician's office will then forward the completed form to the MESSA Benefits office at:

Michigan Education Special Services Association

Attn: Disability Department

1475 Kendale Blvd.

P.O. Box 2560

East Lansing, MI 48826-2560

5. If you anticipate that your Disability will last longer than 22 weeks, you may be eligible for Social Security benefits. You should apply for these benefits after you have been Disabled for a period of 16 weeks.

### NOTICE OF CLAIM

Written notice of a Long Term Disability claim must be given to the Insurance Company no later than one month before the expiration of the Waiting Period. Notice must be given by, or on behalf of, the claimant to:

- the Insurance Company; or
- MESSA; or
- any other authorized representative of the Insurance Company.

The notice must include sufficient information to identify you.

### PROOF OF LONG TERM DISABILITY

Written proof of Disability must be given to the Insurance Company within 90 days after the Waiting Period has been satisfied. Subsequent written proof of the Disability is required to be furnished to the Insurance Company at reasonable intervals.

The Insurance Company requires as part of satisfactory proof:

1. the amount of all benefits and payments received from other sources as referred to in this booklet; and
2. that you have applied for benefits and payments from other sources for which you are entitled by providing all necessary documentation and filing of appropriate appeals.

## GENERAL DISABILITY PROVISIONS

### CLAIM FORMS

On receipt of a notice of a claim, the Insurance Company or MESSA will give the claimant forms for filing proof of Disability. If such forms have not been furnished within 15 days after giving notice, the claimant can provide written proof of Disability of:

- the occurrence of the Disability;
- the nature of the Disability; and
- the extent of the Disability.

### TIME OF PAYMENT OF CLAIMS

All benefits shall be paid monthly during the period for which benefits are payable under the Policy.

### PAYMENT OF CLAIMS

All benefits will be payable to you. Any accrued benefit unpaid at your death will be paid to your estate.

The Insurance Company may pay a benefit amount not to exceed \$1,000 to any relative by blood or connection by marriage to you who is considered by the Insurance Company to be entitled to the benefit for the following reasons:

1. any benefits payable to your estate; or
2. while you are not competent to give valid release.

Any payment made by the Insurance Company in good faith to this provision shall fully discharge the Insurance Company to the extent of such payment.

### NOT COVERED

No benefits are payable for Disability due to:

1. Self-inflicted injuries if intentional or while insane;
2. War;
3. Participation in, or in consequence of having participated in, the committing of a felony;
4. Cosmetic surgery unless:
  - (a) caused by accidental injury sustained while insured or active illness contracted while insured; and
  - (b) you have been continuously insured under a MESSA group disability program since such injury was sustained or such illness was contracted.

Verification of Disability will not be accepted if provided by a Physician who is an immediate relative or by anyone who customarily lives in your household.

**UNDERWRITTEN BY:**  
**LIFE INSURANCE COMPANY OF NORTH AMERICA**  
**a CIGNA company**

05/2006



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