

USA - Disability Benefits

Provided through Sun Life Financial, GEB's Network Partner in the USA

Sun Life was founded in 1865 in Canada and expanded into the US in 1895. Today, Sun Life is a leading group benefits provider in the U.S., with independent ratings placing them at the top of the financial sector in North America. Sun Life is considered one of the top ten US carriers for LTD, STD and Life, and one of the top 5 for StopLoss.¹ Available products from Sun Life include Group Life, Disability, Flexible/Voluntary benefits, Critical Illness, Accident, Cancer coverage, Hospital Indemnity cover and Dental/Vision benefits. Sun Life has been repeatedly recognised as a leader in Sustainability and Human Rights. Awards include the 2020 Global 100 Most Sustainable Corporations in the World for the 11th year in a row, and 2021 Best Places to Work for LGBTQ Equality, the Human Rights Campaign Foundation, receiving a 100% score for the 13th year in a row.

Causes of Disability

Neuropsychiatric disorders are the leading cause of disability in the US, accounting for 18.7% of US Disability Adjusted Life Years (DALYs). This category of illness includes mental and behavioral disorders (13.6% DALYs) and neurological disorders (5.1% DALYs). Other leading causes of disability include:

Illness / % DALYs ²

- Cardiovascular Diseases / 16.8%
- Neoplasms / 15.1%
- Musculoskeletal Disorders / 11.8%
- Diabetes, Endocrine disorders / 8%
- Chronic Respiratory Diseases / 6.5%
- Other non-communicable diseases / 5.1%
- Unintentional injuries (non-transport) / 3.6%
- Self-harm and interpersonal violence / 3.1%
- Transport injuries / 3%

It should also be noted that the leading causes of Short-Term Disability across the Sun Life portfolio are maternity and musculoskeletal illness. For disorders that progress to disability and eventual absence from work, Sun Life offers Short-Term and Long-Term Disability plans and associated support services.

Disability Products

Sun Life offers Short-Term Disability (STD) and Long-Term Disability (LTD). Following is a description of standard product features:

Disability Support

The following provides a high level summary of support services. Further details are available upon request.

Prevention and Early Intervention: Sun Life believes that keeping employees actively at work, if at all possible, is the best option for both the employer and the employee. For this reason, Sun Life provides proactive consultation to employees and employers to support a healthy work environment, improve workplace productivity, and keep employees at work whenever possible.

Dedicated Support for Claimants: Sun Life provides dedicated claimant support through Disability Case Managers. A Case Manager is assigned to every absence, both short and long-term and provides support to: assess the case and associated claims; help coordinate a treatment and rehabilitation plan; help claimants navigate the healthcare system to obtain the services they need; monitor ongoing treatment and recovery and help design a return-to-work plan.

Rehabilitation and Return-to-Work Support: The Case Manager will provide consult and recommendations on a Rehabilitation and Return-to-work programme and remain in regular contact with employees and employers throughout the transition back to work. The design of the rehabilitation and return-to-work programme is further supported by:

- In-house Certified Rehabilitation Counsellors: these Counsellors provide their expertise to arrange voca-

1-Based on LIMRA 2018 Annual U.S. Sales & In-Force Reports for group term life, group short-term disability and long-term disability insurance; 2-<https://www.nlm.nih.gov/health/statistics/disability/us-leading-categories-of-diseases-disorders.shtml>; Top 10 Leading Disease/Disorder Categories Contributing to US DALYs (2010)/data from WHO; 3-Regular Occupation means the occupation the employee is performing immediately prior to the first date his or her period of disability begins (Short or Long Term). This refers to the employee's occupation as it is typically performed in the national economy rather than the duties required by a specific employer or at a specific location. GEBDIS/USA_12.01.2024

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Disability Products (continued)

Short Term Disability

Definition of Short-Term Disability (STD): during the Elimination period (7 or 14 days) and the subsequent STD benefit Duration (typically 26 weeks), the employee is considered continually disabled while they are unable to perform the material and substantial duties of their Regular Occupation.³

Benefits Structure: Plans are offered as fully-insured STD with flexible plan designs, full maternity coverage and disability management reporting.

Waiting Period, Elimination Period, Duration of cover:

claimants must satisfy a Waiting Period before they can claim under the STD policy (typically 31 days but this can be modified). After the Waiting Period, an Elimination Period must also be satisfied before benefits can begin. The standard Elimination period for STD is 7 or 14 days. The average Duration of STD cover is approximately 26 weeks.

Claims process, notice period: Sun Life must receive notice of an STD claim within 90 days of the disability start date. The policy will define the time frames allowed for submitting notice and proof of claim.

Long Term Disability

Definition of Long-Term Disability (STD): during the Elimination period (90 or 180 days) and the subsequent 24 months, an employee is considered continually disabled if they are unable to perform the material and substantial duties of their Regular Occupation.² After 24 months, the employee is considered totally disabled if they are unable to perform any Gainful Occupation for which he or she is, or could become, reasonably qualified by education, training and experience.

Benefits structure: Traditional, contributory and core buy-up programmes are available; Return to work programmes; EAP and work-life services; a Social Security assistance programme; survivor benefits; optional cost of living adjustments and retirement contribution benefit.

Disability Support (continued)

tional counseling and worksite accommodations to get claimants back to work. A national network of rehab counsellors is also available to provide local, free, face-to-face counselling;

- Predictive modeling for return-to-work forecasting: Sun Life's disability management process uses a predictive modeling tool in combination with the skill and expertise of their claims and case management teams to determine expected return-to-work dates;
- Vocational support: Sun Life engages in collaborative claim discussions with both clinical and vocational experts to facilitate the best possible action plan for return to work success. This support is provided throughout the duration of the employee's absence due to disability;
- Additional support services: Social Security advocacy; independent medical exams; surveillance and investigation services.

Financial incentives can also be integrated in rehabilitation and return-to-work programmes, including:

- Enhanced Rehabilitation Benefit: an additional 10% benefit is provided for employees who participate in a Sun Life approved Rehabilitation programme during the first 12 months of the Disability period (may include contributions towards costs for medical care, education, moving or accommodation expenses);
- Reasonable Accommodation Benefit: reimburses employers for worksite modifications that allow an employee to return to work;
- Partial Benefits: qualified employees who return to work part-time are eligible to receive up to 100% of their Indexed Total Monthly Earnings during the first 12 months of Partial Disability;
- Dependent and Child Care Benefit: this benefit provides expense reimbursement related to dependent/child care that will allow employees to return to work.

Leveraging Technology

Sun Life's state-of-the-art claims system is a web-based, document imaging and workflow application that manages claims and all related documents, correspondence and actions. The system tracks claims at every stage from initial claim setup, assessment, payment decision and ongoing claims management and/or resolution.

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Disability Products (continued)

Waiting Period, Elimination Period, Duration of Cover:

claimants must satisfy a Waiting Period before they can claim under the LTD policy (typically 31 days but this can be modified). After the Waiting period, an Elimination period must also be satisfied before benefits can begin. The standard Elimination period for LTD is 90 or 180 days. There is no standard limit on the potential Duration of LTD coverage in the US. Ongoing eligibility is determined on a case by case basis.

Claims process, notice period: Sun Life recommends that employers provide notice of an LTD claim 6 weeks prior to the end of the Elimination period. The policy will define the time frames allowed for submitting notice and proof of claim.

Disability Support (continued)

Sun Life has also developed a user-friendly secure online platform for clients and their employees. This online system allows employers to stay fully up to date on employee disability claims status and return to-work plans in a secure online environment. Employees can also sign in to view plan information, submit claims or upload related claims documents online, and track disability claims and payment status. Sun Life also provides electronic reimbursement of claims to streamline the payment process.

Note: When moving contracts, past liabilities and associated reserves remain with the prior insurer.

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