

Protector EssentialSM

Sample Individual Disability Income Insurance Policy



Sample Policy

Standard Insurance Company
Individual Disability Income Insurance



Standard Insurance Company

INSURED:

POLICY NUMBER:

DISABILITY INCOME INSURANCE POLICY

We, Standard Insurance Company, a stock life insurance company, agree with the Owner to pay the benefits of this policy according to its provisions.

This is a Disability Income Insurance Policy. We issued this policy to the Owner in consideration of: (1) The statements made in the application; and (2) Payment of the premium. A copy of the application is attached to and made part of the policy.

GUARANTEED RENEWABLE to the Termination Date, shown on the data page. As long as the premium is paid by the end of each grace period, **We cannot change any part of the policy, except its premium,** until the Termination Date. Before that date We can change the premium only: (1) **After the policy is three years old;** and (2) **If the change applies to all policies with like benefits insuring the same Risk Class.** The policy will end on the Termination Date, except as provided by the Renewal Option After The Termination Date provision. See that provision for premium changes that apply if the policy is continued under the Renewal Option.

RENEWAL OPTION AFTER THE TERMINATION DATE: SUBJECT TO CHANGE IN PREMIUM RATES. You may ask Us to continue this policy beyond the Termination Date, subject to the terms of the Renewal Option After The Termination Date provision.

RIGHT TO RETURN POLICY. If not satisfied with this policy, the Owner may return it for cancellation within 20 days after receipt by the Owner. The policy must be returned to the sales representative who sold it or to Our home office. The policy will then be void from the beginning, and any premium paid for it will be refunded to the Owner.

READ THIS POLICY CAREFULLY. It is a legal contract between the Owner and Standard Insurance Company.


Signed at Our Home Office
1100 S.W. Sixth Avenue Portland, Oregon 97204
800.247.6888

STANDARD INSURANCE COMPANY

By



J. Greg Ness
President



Holley Franklin
Corporate Secretary

B152(5/05)

This is a specimen of a Protector Essential policy. It is not an actual contract. Policy provisions and the availability of some benefits and riders may vary by state. Riders are available at extra cost.

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POLICY DATA

Insured JOHN DOE 00C9999990 **Policy Number**
Effective Date May 2, 2005 35 **Issue Age**
Owner at Issue The Insured Non-Smoker **Risk Class**
Termination Date May 2, 2037 4A **OCC Class**
Waiting Period 90 days Male **Sex**

PREMIUM SUMMARY

| | Annual Premium |
|----------------------------|-----------------------|
| Base Policy | \$xxx.xx |
| Riders | \$xxx.xx |
| Net Annual Premium: | \$x,xxx.xx |

Mode of Premium Payment: Special Monthly **Amount:** \$xx.xx

There are four premium modes available. The total amount due over a policy year varies by the mode selected. The mode you chose is noted above. The total due over the policy year for this mode and the difference between that total and the net annual premium payment are noted below:

Total of Special Monthly Premium Payments: \$x,xxx.xx
Difference between net annual premium and total Special Monthly payments: \$xx.xx

GUARANTEED RENEWABLE POLICY

BASIC POLICY BENEFITS (To Age 67)

Commencement Date 91st Day of Disability
Basic Monthly Benefit \$2,000

Maximum Benefit Period: To May 2, 2037, or 24 months, whichever is longer.

**POLICY DATA
(CONTINUED)**

Insured JOHN DOE 00C9999990 **Policy Number**

ADDITIONAL BENEFITS

| Rider | Amount Of Benefits | Annual Premium Prior to Age 67 |
|---|-------------------------------|---|
| Residual Disability Rider | | \$xx.xx |
| Indexed Cost of Living Rider | | \$xxx.xx |
| Catastrophic Disability Benefit Rider \$500.00 Per Month | | \$xx.xx |
| Total Premium for Riders | | \$xxx.xx |

If this policy was issued with an increased premium, exclusion or other modification, Standard may be contacted if there are any changes to the Insured's health, occupation, avocation or other risk factor that might allow coverage to be continued without the modification. We will review the information You provide plus any other information available to Us regarding all risk factors associated with the Insured as of the time of Our review. Using Our underwriting guidelines then in effect, We reserve the right to offer any change that We think is most appropriate, as well as the right to decline to make any change, regardless of whether the change in risk factor(s) is directly related to the reason for the policy modification.

DEFINITIONS

BASIC MONTHLY BENEFIT – The amount of monthly benefit as shown on the data page issued with the policy, or as later changed by endorsement or by a new data page made part of this policy.

COMMENCEMENT DATE – The first day [immediately following the completion of the Waiting Period](#). The following applies to a Presumptive Total Disability: (1) The Waiting Period is waived; and (2) The Commencement Date will be the first day of the total and permanent loss.

CONCURRENT DISABILITY – A Disability caused by more than one Injury or Sickness, or from a combination of these.

CONTINUOUS DISABILITY / CONTINUOUSLY DISABLED – Recurrent periods of Disability from the same cause or causes are one period of Continuous Disability if separated by [Your Recovery of less than 12 full months](#). However, no Disability Benefits are due or payable during any period of Recovery.

DISABILITY / DISABLED – This means the same as Total Disability/Totally Disabled, defined below.

DISABILITY BENEFIT / DISABILITY BENEFITS – Any payment or payments for Disability that are made under this policy.

EFFECTIVE DATE – The date on which this policy becomes effective. This date is shown on the data page.

FAMILY MEMBER – Your spouse, parent, son, daughter, brother or sister.

INJURY – [Accidental bodily injury](#) sustained by You:

1. After the Effective Date; and
2. While this policy is in force.

INSURED – The insured under this policy, as shown on the data page.

ISSUE AGE – The age of the Insured on the Effective Date. The Issue Age is shown on the data page.

LOSS – This means the same as Disability, defined above.

MAXIMUM BENEFIT PERIOD – The maximum period of time We will pay Disability Benefits during and for any one Continuous Disability. This period:

1. Is shown on the data page; and
2. Begins on the Commencement Date.

If the policy is continued beyond the Termination Date under the Renewal Option, payment of Disability Benefits may be limited to a maximum of 12 months for any one Continuous Disability.

OWNER – The owner of this policy, as shown on the data page, unless later changed as allowed under the GENERAL PROVISIONS section.

PHYSICIAN – Any licensed medical professional, other than You, the Owner, or a Family Member. The Physician must be practicing and diagnosing within the scope of his or her medical or professional license.

POLICY ANNIVERSARY – The anniversary of the policy's Effective Date occurring each year the policy remains in force.

POLICY MONTH – A month measured from the same date in a month as the policy's Effective Date.

PRESUMPTIVE TOTAL DISABILITY – [Your total and permanent loss](#), because of Your Injury or Sickness, of one of the following:

1. Speech;
2. Hearing in both ears, not restorable by hearing aids;
3. Sight in both eyes (see below);
4. Use of both hands;
5. Use of both feet; or
6. Use of one hand and one foot.

Total and permanent loss of sight in both eyes means: Both eyes must measure at or below 20/200, after reasonable efforts are made to correct their vision, using the most advanced medically acceptable procedures and devices available.

You will be considered as Totally Disabled if You become Presumptively Totally Disabled under the policy terms. See the Benefit for Presumptive Total Disability provision.

RECOVER / RECOVERY / RECOVERED – This means You are no longer Disabled from the same cause or causes that caused Your most recent Disability.

REGULAR OCCUPATION – [Your occupation at the time Disability begins](#). If You have limited Your practice to a professionally recognized specialty in medicine or law, the specialty will be deemed to be Your Regular Occupation. If You are retired at the time Disability begins, being retired will be deemed to be Your Regular Occupation.

REHABILITATION PROGRAM / PROGRAM – [A voluntary plan](#), program or course of vocational training or education, that is intended to prepare You [to return to work](#). A Rehabilitation Program may include assistance for such items or services as: vocational

and employment assessment; purchasing adaptive equipment; educational expenses; and evaluation of necessary work site modifications.

REINSTATEMENT DATE – The date the policy is made effective when reinstated.

RISK CLASS – The Risk Class for this policy, as shown on the data page. It also includes the occupation class and sex shown on the data page.

SICKNESS – Your Sickness or disease which first [manifests](#) itself:

1. After the Effective Date; and
2. While this policy is in force.

TERMINATION DATE – The policy ends on this date, unless it ended earlier as outlined under the Policy Termination provision. This date is shown on the data page.

TOTAL DISABILITY / TOTALLY DISABLED – Because of Your Injury or Sickness:

1. You are unable to perform the [substantial and material duties of Your Regular Occupation](#); and
2. You are not [engaged](#) in any other gainful occupation; and
3. You are under the [regular care of a Physician](#) appropriate for Your Injury or Sickness. This Physician's care requirement will be waived when We receive written proof, satisfactory to Us, that further care would be of no benefit to You.

WAITING PERIOD – That period, measured from the [first day of Your Disability](#), throughout which You must be Disabled [before](#) Disability Benefits become payable. The Waiting Period is shown on the data page. More information on the Waiting Period is provided under EXCLUSIONS AND LIMITATIONS.

WE / US / OUR – Standard Insurance Company.

YOU / YOUR – The Insured under this policy.

BENEFITS

BENEFIT FOR TOTAL DISABILITY – You will be eligible for the benefit for Total Disability during Your Continuous Total Disability. We will pay the Basic Monthly Benefit.

The benefit for Total Disability will begin on the Commencement Date. This benefit will continue while You remain Totally Disabled, but it will not be paid beyond the Maximum Benefit Period. For periods of less than a month We will pay a pro rata portion of this benefit for each day of Total Disability.

BENEFIT FOR PRESUMPTIVE TOTAL DISABILITY – We will pay the benefit for Total Disability during Your Presumptive Total Disability. However, We will not pay it beyond the Maximum Benefit Period. The [Commencement Date for any Presumptive Total Disability is the first day](#) of that Presumptive Total Disability.

DISABILITY DUE TO COSMETIC OR TRANSPLANT SURGERY – We will consider You as Disabled due to Sickness if, [more than six months after the Effective Date](#), You become Disabled from surgery to:

1. Improve Your appearance;
2. Prevent Your disfigurement; or
3. Transplant part of Your body to someone else.

PREMIUM WAIVER BENEFIT – [We will waive all premiums due under this policy while benefits are payable](#). If the Waiting Period is greater than 90 days, We will waive all premiums due and payable after the 90th day of Continuous Disability, up to the Commencement Date, as long as You remain Continuously Disabled. On and after the Commencement Date, policy benefits must be payable for premiums to be waived. After completion of the Waiting Period, We will refund to the Owner any premium due and paid after the date Your Disability began.

SURVIVOR BENEFIT – [If You die](#) while the benefit for Total Disability is being paid under this policy, We will pay a benefit to the Owner or the Owner's estate. In this event, [We will pay](#) the Basic Monthly Benefit for the lesser of:

1. [Three months beyond](#) the month of Your death; or
2. The number of months remaining in the Maximum Benefit Period as of the date of Your death.

This policy, and any Disability Benefits being paid under it, end at Your death. (See Policy Termination.)

While this policy is in force, the Owner may:

1. Name a payee; or
2. Change a previously named payee;

to receive this survivor benefit.

We will pay the named payee, if living, instead of the Owner or Owner's estate. The designation or change:

1. Must be made on a form satisfactory to Us; and
2. Is subject to Our approval.

Once approved, the designation or change will take effect as of the date the Owner signed the request. If the payee is not living at Your death, We will pay this benefit to the Owner or the Owner's estate.

REHABILITATION BENEFIT – While Disability Benefits are being paid, either You or We may propose a Rehabilitation Program. If the Program is approved by Us and accepted by You,

We will pay a **Rehabilitation Benefit**. This benefit will pay:

1. The **reasonable costs** of a Rehabilitation Program not otherwise covered by any other plan, policy or program; and
2. The **difference, if any, between:**
 - a. The benefit You would be eligible for if You were Totally Disabled; and
 - b. The Disability Benefit for which You are eligible;

for up to 36 months according to the terms of the Program. In no case will We pay any Rehabilitation Benefit beyond the end of the Maximum Benefit Period. Payment of this benefit will be in addition to any other payment that may be due under the policy.

We will provide the terms, conditions and objectives of the Program to You in writing after it has been approved by Us, in our sole discretion. The Program must be accepted by You in writing before We pay any Rehabilitation Benefit. We will periodically review the Program and Your progress. We will continue to pay the Rehabilitation Benefit as long as We determine that the Program is meeting the mutually agreed upon objectives.

If You leave the Program We will continue paying Disability Benefits for up to the number of months remaining in Your Maximum Benefit Period, if any, as long as You remain otherwise eligible under the policy. **The Program and the Rehabilitation Benefit are voluntary. This policy does not require You to apply for or join any Program.**

EXCLUSIONS AND LIMITATIONS

EXCLUSIONS FROM COVERAGE – We will not pay benefits for:

1. Disability due to war. War means any:
 - a. War, declared or undeclared, whether civil or international;
 - b. Act of war;
 - c. Act incident to war;
 - d. Insurrection; and
 - e. Substantial armed conflict with organized forces of a military nature.
2. The first 90 days of Your Disability due to pregnancy or childbirth.
3. Disability caused or contributed to by You:
 - a. Committing or attempting to commit an assault or felony; or
 - b. Actively participating in a violent disorder or riot. “Actively participating” does not include Your being at the scene of a violent disorder or riot while performing Your official duties.

4. Disability while You are confined for any reason to a penal or correctional institution.
5. Intentionally self-inflicted injury.

WAITING PERIOD LIMITATION – No Disability Benefits are payable during the Waiting Period. Disability Benefits start after the Waiting Period ends, on the Commencement Date, if You are Disabled on that date. The Waiting Period is shown on the data page.

Regardless of the number or length of any periods of Recovery that may occur during Your Disability, for any Disability Benefit to become payable, **the Waiting Period must be satisfied within the total number of consecutive days** which equals:

1. For Waiting Periods of 180 days or less: **Two times** the Waiting Period shown on the data page; or
2. For Waiting Periods longer than 180 days: **One and one-half times** the Waiting Period shown on the data page.

This limitation does not apply to the benefit for Presumptive Total Disability.

CONCURRENT DISABILITY – We will pay benefits for a Concurrent Disability as if there were only one Injury or Sickness. In no event will You be considered to have more than one Disability at the same time. Once a continuous period of Disability starts, it will be one period of Continuous Disability no matter what Injuries or Sicknesses, or how many, caused the Disability or cause it to continue.

PRE-EXISTING CONDITIONS – For Disabilities caused or contributed to by a Pre-existing Condition, We will pay benefits only if:

1. The Pre-existing Condition is fully disclosed on the policy’s application; and
2. The Pre-existing Condition is not specifically excluded.

A Pre-existing Condition is any mental or physical condition for which:

1. You have consulted a Physician;
2. You have received medical treatment or services or undergone diagnostic procedures, including those that are self-administered or self-prescribed;
3. You have taken prescription drugs or medications; or
4. A reasonably prudent person would have sought medical advice, care or treatment;

during the 365 day period ending the day before this policy’s Effective Date.

TIME LIMIT ON CERTAIN DEFENSES – After two years from the later of:

1. This policy’s Effective Date; or
2. Its most recent Reinstatement Date;

no misstatements, except fraudulent misstatements, made by You or the Owner, in the application for the policy or for reinstatement, shall be used to:

1. Rescind the policy; or
2. Deny a claim;

for Disability starting after the end of such two year period.

For Disability starting after two years from the later of:

1. The policy's Effective Date; or
2. Its most recent Reinstatement Date;

no claim will be reduced or denied because a disease or physical condition existed before such date, unless: (1) It is specifically excluded; or (2) There was a fraudulent misstatement in the application for the policy or for reinstatement.

CLAIMS

TIME OF LOSS – We will pay benefits under this policy only for a Loss which occurs while this policy is in force. Termination of the policy will not affect any claim for Disability, provided that:

1. Your Disability begins within 30 days after the date of the Injury or Sickness causing Your Disability; and
2. Your Injury or Sickness occurs while this policy is in force. (See Policy Termination.)

WRITTEN NOTICE OF CLAIM – We must be given written notice of claim by You or the Owner:

1. Within 30 days after a Loss starts; or
2. As soon as is reasonably possible.

Written notice must be given:

1. To Us at Our home office; or
2. To any of Our authorized sales representatives.

Written notice must include Your name and the policy number.

CLAIM FORMS – We will send the Owner a claim statement within 15 days after We receive written notice of claim. If You do not receive Our forms within 15 days after You ask for them, You may submit Your claim in a letter sent to Us at Our home office. The letter should include: (1) The date the Disability began; and (2) The cause and nature of the Disability.

WRITTEN PROOF OF LOSS – We must receive written proof of Loss within 90 days after the end of any period for which Disability Benefits are being claimed. If that is not reasonably possible, the claim will not be affected, provided written proof is furnished as soon as is reasonably possible. However, unless You lack legal capacity, We must be given written proof within one year after the 90th day referred to above, for that claim to be valid.

Each of the following elements of proof of Loss must be provided to Us at Your expense. We will not pay any Disability Benefits until We receive satisfactory written proof of all of the following:

1. You became Disabled while You were insured under this policy and while it was in force;
2. Your Disability was a Continuous Disability through the Waiting Period and the Commencement Date; and
3. You are under the regular care of a Physician appropriate for Your Injury or Sickness.

You must also submit all of the following documents at Your expense:

1. A completed claim statement signed by You.
2. A completed claim statement signed by Your Physician.
3. A written authorization for Us to obtain records and information needed to determine Your eligibility for Disability Benefits. This must be:
 - a. On a form satisfactory to Us; and
 - b. Signed by You.
4. Such other documents and information as We may reasonably require in connection with Your claim.

In any event if any required documentation is not provided within 45 days after We send Our request for such documentation, Your claim may be denied.

Once Your claim is approved, no Disability Benefits will be continued beyond the end of the period for which You have provided Us with satisfactory written proof of Loss.

We will require You to submit additional documentation of Your claim at Your expense at reasonable intervals while You are receiving Disability Benefits.

PROOF OF INCOME – We can require any proof We consider necessary to establish Your current and prior incomes. We have the right to examine Your financial records, including Your tax returns, as often as We may reasonably require. These financial records may cover any period for which You claim to be Disabled.

INVESTIGATION OF YOUR CLAIM – We may conduct an investigation of Your claim at any time. We will not pay any Disability Benefits until: (1) We have had a reasonable time to

conduct any investigation of Your claim; and (2) We have determined that Disability Benefits are payable.

MEDICAL EXAM – We can have Physicians or specialists examine You, at Our expense, as often as reasonably necessary while You claim to be Disabled. Any such examination will be conducted by one or more Physicians or specialists We choose.

We may defer or suspend payment of benefits if: (1) You fail to attend an examination; or (2) You fail to cooperate with the person conducting the examination. Benefits may be resumed, provided that the required examination occurs within a reasonable time and benefits are otherwise payable.

TIME OF PAYMENT – After We receive satisfactory written proof of Loss and all other conditions are met, We will pay benefits under this policy. Any accrued benefits will be paid immediately. Any benefits due thereafter will be paid monthly. Payment will be subject to our receipt of continued written proof of Loss.

PAYMENT OF CLAIMS – We will pay all benefits to the Owner or the Owner's estate, unless the Owner names a payee to receive such benefits. Designation of a payee, or change of a previously named payee, must be in writing and signed by the Owner. At the Owner's request We will provide a form for naming or changing a payee.

We can pay total benefits of up to \$1,000 to any relative of the Owner We believe is entitled to them, if:

1. Any benefit is payable to the Owner's estate; or
2. The Owner or any payee lacks legal capacity to give a valid release.

We will not be liable to anyone to the extent We make payment in good faith.

OVERPAYMENT OF BENEFITS – We have the right to be reimbursed for any overpayment of benefits under this policy. We will notify the Owner promptly upon the discovery of any overpayment. After such notice, any and all overpayments that have not been reimbursed will become a debt due and payable to Us. We will offset the unreimbursed portion of any overpayments against any benefit payments due under the policy, regardless of the payee, until all overpayment amounts are repaid in full.

REVIEW PROCEDURE – If We deny all or part of Your claim, You may request a review. You must make the request within 180 days after receiving notice of the denial. Your request must be in writing.

If We deny Your claim:

1. You may send Us written comments or other items to support Your claim; and
2. You may review any non-privileged information that relates to Your request for review.

We will review Your claim promptly after We receive Your request. We will send You a notice of Our decision within 60 days after We receive Your request. If special circumstances

require an extension We will send it to You within 120 days. We will state the reasons for Our decision; and We will refer You to the relevant parts of the policy.

PREMIUMS, REINSTATEMENT, AND POLICY TERMINATION

PREMIUMS – The premium is the amount We charge at regular intervals to keep this policy in force. The premium is shown on the data page. Before the Termination Date We can change the premium only: (1) After this policy is three years old; and (2) If the change applies to all policies with like benefits insuring the same Risk Class. Premiums are payable at Our home office. The first premium is due on the Effective Date. If the first premium is not paid, the policy is never in force.

Premiums may be paid on an annual, semi-annual or quarterly basis. Also, the Owner may request a special monthly premium mode, subject to Our rules and approval. We may terminate this special mode at any time by writing to the Owner.

The Owner may request a change of premium mode by writing to Us. The change is subject to Our rules and approval. No change of premium mode will be allowed while You are Disabled.

GRACE PERIOD – A 31-day grace period to pay premiums follows the due date of each premium except the first. The policy will continue in force during the grace period. If a premium is not paid by the end of its grace period, the policy will terminate. If You become Disabled during the grace period, We will deduct any due and unpaid premiums from any benefits paid.

REINSTATEMENT – If this policy ends because a premium is not paid by the end of the grace period, the Owner may request that it be reinstated. The request must be made any time within six months after termination.

If Our requirements for reinstatement are met, the policy will be reinstated as follows:

1. If We receive the required premium and do not require a reinstatement application: Our acceptance of the required premium will reinstate the policy.
2. If We receive the required premium, but We require an application for reinstatement and issue a conditional receipt for the premium tendered:
 - a. Reinstatement is subject to Our approval; and
 - b. Reinstatement will be effective on the date We approve the application.

However, if We disapprove the application, We must mail notice of Our disapproval to the Owner within 45 days after the date of the conditional receipt. If We do not mail notice of Our disapproval before that time, the policy will be reinstated as of the 45th day.

Except for those reinstatements for which We do not require an application for reinstatement, the reinstated policy will not cover any Disability except Disability due to:

1. Injury sustained after the Reinstatement Date; or

2. Sickness that began more than ten days after the Reinstatement Date.

If We require an application for reinstatement, a new period for contesting the policy or a claim will apply to the reinstated policy. See Time Limit On Certain Defenses under EXCLUSIONS AND LIMITATIONS. We may add or change provisions or limitations when We reinstate the policy. Except for the provisions that may be added or changed, the Owner's rights and Our rights will be the same as before the policy terminated.

POLICY TERMINATION – If a premium is not paid by the end of its grace period, the policy will terminate. This policy will also terminate on the earliest of:

1. 12:01 a.m. on the Termination Date shown on the data page, unless this policy is being continued under the Renewal Option After The Termination Date provision;
2. The date You are no longer actively and regularly employed for at least 30 hours per week, if this policy is continued under the Renewal Option, unless You are Disabled on that date under the policy terms;
3. The date You Recover from Your Disability covered by the Renewal Option, if the policy is continued under that Option; or
4. The date of Your death.

After We receive notice of Your death, We will refund to the Owner or the Owner's estate any premium paid beyond the date of death.

We will refund up to 12 months' premium paid for the period beyond the date the policy terminates if termination occurs due to number 2, above.

In addition, the Owner may terminate this policy by sending Us a written request. Such termination will be effective on the date the request is received at Our home office, or on the date the Owner requests, subject to Our approval. We will refund any unearned premium to the Owner.

RENEWAL OPTION AFTER THE TERMINATION DATE

RENEWAL OPTION – The Owner may request that Total Disability coverage under this policy continue beyond the Termination Date. The request must be in writing and is subject to Our approval. At the time of the request and after the Termination Date, to continue this policy We will require proof satisfactory to Us that:

1. You remain actively and regularly employed for at least 30 hours per week; and
2. You are not Disabled at the time We receive the Owner's written request at Our home office.

If We approve the request and the policy is continued under this Option, You must remain actively and regularly employed for at least 30 hours per week for the policy to remain in force. We have the right to ask You at least once a year for proof satisfactory to Us that You are meeting this requirement. In addition, We have the right to ask for this information more

often than once a year if We reasonably believe that such information is necessary for this policy to continue under this Option.

You must notify Us as soon as is reasonably possible if at any time:

1. Your employment fails to meet this requirement; or
2. You cease employment altogether.

This Option and policy, and all coverage, will end on the date You cease being actively and regularly employed at least 30 hours per week, unless:

1. You are Disabled on that date under the policy terms; or
2. The policy and Option ended earlier under the Policy Termination provision.

RENEWAL OPTION REQUEST – The Owner may request this Option by writing to Us at Our home office. We must receive the request at least 30 days prior to the Termination Date. The policy must be in force with all due premiums paid on the date We receive the request.

RENEWAL BENEFIT – Under the Renewal Option, only the benefit for Total Disability will continue beyond the policy's Termination Date. All other policy benefits and all riders and rider benefits end at 12:01 a.m. on the Termination Date, unless a rider states otherwise. Except as shown below, the same provisions, exceptions, exclusions and limitations in this policy continue to apply if the Renewal Option is elected.

The Maximum Benefit Period for a policy continued under this Option is as follows:

For Total Disabilities with Commencement Dates falling on or before the Policy Anniversary immediately following Your 75th birthday: The Maximum Benefit Period under this Option is 24 months.

For Total Disabilities with Commencement Dates after the Policy Anniversary immediately following Your 75th birthday: The Maximum Benefit Period is 12 months.

The policy's definition of Regular Occupation as applied to any Disability covered by this Option is changed to read: "REGULAR OCCUPATION – Your occupation at the time Disability begins. If You have limited Your practice to a professionally recognized specialty in medicine or law, the specialty will be deemed to be Your Occupation."

The policy's definition of Continuous Disability/Continuously Disabled as applied to any Disability covered by this Option is changed to read: "Continuous Disability/Continuously Disabled means the same as Total Disability/Totally Disabled as defined in the policy." Under this Option, payment of benefits will be made for only one Disability. No Disability Benefits are due or payable during any period of Recovery. The policy, this Option and all coverage will end on the date You Recover from Your Disability under this Option.

RENEWAL PREMIUM – The premium to continue the policy under the Renewal Option will be based on the rate in effect for all policies with like benefits insuring the same age and Risk Class as of the Termination Date. We can change the premium at any time, but only if We change it for everyone who:

1. Has this policy form;
2. Has like benefits;
3. Is Your age; and
4. Is in Your Risk Class.

We will refund to the Owner any premium paid after the Termination Date, unless the policy is in force under the Renewal Option. Payment or receipt of any premium after the policy ends for any reason will not continue it in force, unless the policy is being continued under the Renewal Option.

GENERAL PROVISIONS

THE CONTRACT – This insurance is provided in consideration of Our receipt of: (1) The completed application; and (2) Payment of all required premiums. This policy and all attachments, including any benefits, riders, endorsements and copies of the application and application supplements, make up the whole contract. No one, including Our sales representative, has the right to change or waive any part of this policy unless the change is approved in writing by Our president and corporate secretary.

CONFORMITY WITH STATE LAWS – Any provision in this policy which, on its Effective Date, conflicts with the laws of the state in which the application was taken, is amended to meet the minimum requirements of such laws.

LEGAL ACTION – Legal action cannot be brought against Us until at least 60 days following the date written proof is received by Us under Written Proof Of Loss. Also, legal action may not be brought against Us after three years from the date written proof is required under Written Proof Of Loss.

MISSTATEMENTS – If Your Issue Age or sex has been misstated, any benefits will equal those that the premiums paid would have purchased at Your correct Issue Age and sex.

NOTICE – Changes, assignments, designations of payees and other requests will not affect Us until:

1. They have been signed by the Owner;
2. We have received them at Our home office; and
3. Where required, We have approved them.

ASSIGNMENT – The Owner may assign this policy at any time while the policy is in force and while the Insured is not Disabled. We will be bound by an assignment only: (1) If it is in writing; and (2) After it is approved at Our home office. Once approved, it will take effect as of the date the assignment was signed by the Owner. We are not responsible for the validity of an assignment. We will not be liable for any action taken prior to, or for any payment made by Us before, Our approval of the assignment.

OWNER – The Owner of this policy is the Insured unless:

1. A different owner is named on the application; or
2. The Owner is changed under the Assignment provision, above.

The Owner may name a successor owner who will become the new owner if the Owner dies before You. If no named successor owner is living when the Owner dies, and if You are not the Owner, the Owner's estate will become the new owner.

INDEXED COST OF LIVING BENEFIT RIDER

DEFINITIONS

ADJUSTMENT RATE – The percentage used to determine the Cost of Living Benefit.

BASE AMOUNT – The Base Amount for any month is the total amount of Disability benefits payable under the policy and any other riders made part of the policy, except this Cost of Living Benefit Rider and the Catastrophic Disability Benefit Rider, for that month. Returned premium is not considered to be “benefits” for purposes of this definition.

CALENDAR YEAR – A year measured inclusively from January 1 to December 31.

CHANGE DATE – Each anniversary of the date Your Disability starts.

COST OF LIVING BENEFIT – The monthly amount We will pay under this rider. We will determine this amount each month You qualify for this benefit.

CPI-U – The average Consumer Price Index For All Urban Consumers published by the United States Department of Labor for a given year. If the CPI-U is discontinued or changed, We may use a comparable index.

BENEFITS

We will pay the Cost of Living Benefit under this rider during Your Continuous Disability if:

1. Your Disability begins before the policy Termination Date;
2. Your Disability continues for more than 365 days; and
3. Disability Benefits, other than those payable under this rider, are payable during the month for which this benefit is claimed.

We will pay the Cost of Living Benefit each month after the first Change Date while Disability Benefits, as described in number 3 above, remain payable. Payment of this benefit will be made according to the terms of the policy and this rider and is in addition to any other payment that may be due under the policy or any other rider made part of the policy. The Cost of Living Benefit for any month is the Base Amount multiplied by the Adjustment Rate in effect for that month.

The Adjustment Rate is determined on each Change Date. The rate is effective on the first of the month following the Change Date, and remains constant for twelve full months following the Change Date. For the first Change Date it is the lesser of: (1) [3%; 6%]; or

(2) The CPI-U for the Calendar Year in which Your Disability started divided by the CPI-U for

the previous Calendar Year, minus 1. For the second and all other Change Dates, if any, it is the lesser of:

1. The CPI-U for the Calendar Year immediately prior to the Change Date in question, divided by the CPI-U for the Calendar Year immediately prior to the start of Your Disability, minus 1; or
2. $[1.03^x; 1.06^x]$ minus 1, where x equals the number of full years You have been Continuously Disabled.

increases are compounded

If the Adjustment Rate in any year should decrease, We will use the Adjustment Rate for the year immediately prior. If the Adjustment Rate on the first Change Date is negative, the Adjustment Rate for that Change Date will equal zero. If Disability Benefits continue beyond the Termination Date for any reason, any Cost of Living Benefit payable after that date will equal the Cost of Living Benefit payable for the month in which the Termination Date falls.

RECOVERY PURCHASE OPTION

Within 90 days after Your Continuous Disability ends and while this policy is in force, the Owner may apply for an increase in the policy's Basic Monthly Benefit. To qualify for the increase, a Cost of Living Benefit must be payable under this rider at the time Your Continuous Disability ends. Evidence of Your health is not required.

The amount available to the Owner for purchase is the greater of: (1) The Cost of Living Benefit at the time Your Continuous Disability ends; or (2) \$100. Any amount of purchase will be subject to our issue limits and requirements at the time of purchase. Any amount of increase remaining after the purchase will not be available for later purchase.

The effective date of the purchased increase is the Policy Anniversary day falling in the next Policy Month starting after Your Continuous Disability ends. The purchased increase will apply only to Disabilities starting after that effective date.

The Owner's written application for the increase must be received at Our home office within 90 days after Your Continuous Disability ends. In addition, the required premium for the increase must be received within 31 days after Our receipt of the application. The purchase will be in the form of an increase to this policy or a new policy, as determined by Us.

GENERAL PROVISIONS

RIDER PREMIUM – The annual premium for this rider is shown on the data page. We can change the Rider Premium only:

1. After the rider is three years old; and
2. If the change applies to all policies with like benefits insuring the same Risk Class.

RIDER EFFECTIVE DATE – The effective date for this rider is the same as the policy Effective Date, unless a different effective date has been given to this rider by an endorsement signed by You and the Owner, if different.

TIME LIMIT ON CERTAIN DEFENSES – The policy’s Time Limit On Certain Defenses provision will apply to this rider as of the Rider Effective Date.

TERMINATION OF RIDER – This rider will end on the earlier of:

1. The policy Termination Date: or
2. The date the policy ends for any reason.

In addition, the Owner may terminate this rider by sending Us a written request. Such termination will be effective on the date the request is received at Our home office, or on the date the Owner requests, subject to Our approval. Termination of this rider may require termination of other riders.

PART OF POLICY – This rider is part of the policy to which it is attached. All policy terms and conditions will apply to this rider if they:

1. Have not been changed by this rider; and
2. Do not conflict with this rider.

STANDARD INSURANCE COMPANY

By



J. Greg Ness
President



Holley Franklin
Corporate Secretary

Note: This rider will always be issued with the policy.

Standard Insurance Company

RESIDUAL DISABILITY RIDER

DEFINITIONS

For purposes of this rider, the definition of Disability/Disabled in the policy is changed to read:

DISABILITY/DISABLED – (1) Total Disability, as defined in the policy; and (2) Residual Disability, as defined below.

When used in this rider, these terms are defined as follows:

ANNUAL EARNINGS – This means all income of Yours for any full tax year used to calculate Prior Monthly Earnings. Annual Earnings includes all income from any vocational activity of Yours including:

1. Salary and fees;
2. Commissions and bonuses; and
3. Income reported on Your personal and business tax returns.

We can require any proof We consider necessary to establish Your Annual Earnings for each full tax year. Such proof may include, but is not limited to the following amounts as reported on the applicable Form W-2 and on the applicable Partnership Schedule K-1, Schedule C and S-Corporation Schedule K-1 of Your federal income tax return:

1. Your ordinary income (loss) from trade or business activity(ies);
2. Your guaranteed payments, if You are a partner;
3. Your net profit from business;
4. Your compensation (as an officer), salary, or wages, if You are an S-Corporation shareholder;
5. Other Income as reported on Your: (a) IRS form 1040; (b) Partnership Schedule K-1; or (c) S-Corporation Schedule K-1, and
6. Amounts deducted on Your federal income tax return as Section 179 Expenses.

CALENDAR YEAR – A year measured inclusively from January 1 to December 31.

CPI-U – The average Consumer Price Index For All Urban Consumers published by the United States Department of Labor for a given year. If the CPI-U is discontinued or changed, We may use a comparable index.

INDEXED PRIOR MONTHLY EARNINGS – This means Your Prior Monthly Earnings adjusted by the applicable rate of increase in the CPI-U. During Your first year of Disability, Indexed Prior Monthly Earnings is the same as Prior Monthly Earnings. After that, [Indexed Prior Monthly Earnings is determined on each anniversary of the date Your Disability starts by increasing the previous year's Indexed Prior Monthly Earnings by the rate of increase in the CPI-U for the prior Calendar Year.](#) If there is no increase in the prior Calendar Year's CPI-U, there will be no increase in the Indexed Prior Monthly Earnings for the current year. However, Indexed Prior Monthly Earnings will not decrease even if the CPI-U decreases.

LOSS OF INCOME – [Your Indexed Prior Monthly Earnings less Your Monthly Earnings.](#) Loss Of Income is determined for each month for which a benefit for Residual Disability is claimed.

MONTHLY EARNINGS – This means all income received by You in the particular month for which You are claiming the benefit for Residual Disability. Monthly Earnings includes all income from any vocational activity of Yours, including:

1. Salary and fees;
2. Commissions and bonuses; and
3. All income from all of those sources of income used to determine Prior Monthly Earnings.

We will subtract from Monthly Earnings all business expenses which You are allowed to deduct for federal income tax purposes. However, We will not deduct any expenses shown on Your federal income tax return as IRC Section 179 expenses. Monthly Earnings does not include income from any of the following:

1. Rent or royalties;
2. Annuities, savings or investments;
3. Deferred compensation or retirement plans;
4. Disability income policies; or
5. Your nonvocational activities.

[We will use the accounting method used on Your federal income tax return for Your tax year immediately prior to Your tax year in which the Disability began.](#) We will use the same method throughout the duration of Your claim. [If the cash method is used, We will exclude from Monthly Income that income which is both:](#)

1. Earned prior to the date Your Disability began; and
2. Received after the date Your Disability began.

If You receive any income in a lump sum or on a basis other than monthly, We will prorate that income over the period of time to which it applies. If an appropriate period of time is not provided, We will use what We consider to be a reasonable period, based on the circumstances involved.

PRIOR MONTHLY EARNINGS – The sum of Your highest Annual Earnings for any [two full tax years](#) within the [three full tax years](#) preceding the day Your Disability began, [divided by 24.](#)

RESIDUAL DISABILITY/RESIDUALLY DISABLED – Residual Disability means You are not Totally Disabled, but because of Your Injury or Sickness:

1. Your [Monthly Earnings are reduced by 20%](#) or more of Your Indexed Prior Monthly Earnings; and
2. You are under the [regular care of a Physician](#) appropriate for Your Injury or Sickness; and
3. You are able:
 - a. To do some, but not all, of the [substantial and material duties](#) of Your Regular Occupation; or
 - b. To do all of the substantial and material duties of Your Regular Occupation, but not for as [long a time](#) or as [effectively](#) as You did immediately prior to Your Injury or Sickness.

BENEFITS

BENEFIT FOR RESIDUAL DISABILITY – You will be eligible for the benefit for Residual Disability during Your Residual Disability if Your Residual Disability begins before the Termination Date. The amount of Disability Benefit We will pay under this section for each month is determined as follows:

1. The sum of: (a) The Basic Monthly Benefit; plus (b) Any amount that would have been payable under the Supplemental Social Insurance Benefit Rider (if part of the policy) if You had been Totally Disabled during the month for which this benefit for Residual Disability is being determined; times
2. Your Loss Of Income for that month divided by Your Indexed Prior Monthly Earnings.

If You are unable to earn at least 20% of Your Indexed Prior Monthly Earnings, We will pay the Basic Monthly Benefit. For any one Continuous Disability, each of the first six monthly payments will not be less than 50% of the Basic Monthly Benefit.

The benefit for Residual Disability will begin on the later of:

1. The Commencement Date; or
2. The day after Your Total Disability ends.

This benefit will continue while You remain Residually Disabled. We will not pay this benefit beyond the Maximum Benefit Period, as outlined in the policy.

RECOVERY BENEFIT – You will be eligible for a [lump sum](#) Recovery Benefit, if immediately after Your Residual Disability ends:

1. You are not eligible for a Disability Benefit; and
2. Immediately following a Disability for which benefits for Residual Disability were paid under this rider, You are engaged at least 30 hours per week in: (a) Your Regular Occupation; or (b) Any other occupation.

The amount of the Recovery Benefit is a lump sum equal to the lesser of:

1. [Six times](#) the Basic Monthly Benefit; or
2. The [total amount of benefits for Residual Disability paid](#) during Your Continuous Disability immediately preceding payment of this benefit; or
3. The number of months remaining in the Maximum Benefit Period as of the time of Your Recovery, [times the Basic Monthly Benefit](#).

No more than one Recovery Benefit will be paid for any one period of Continuous Disability.

CLAIMS

For purposes of this rider, the PROOF OF INCOME provision under CLAIMS in the policy is changed to read as follows:

PROOF OF INCOME – We can require any proof We consider necessary to establish Your current and prior incomes. We have the right to examine Your financial records, including Your tax returns, as often as We may reasonably require. These financial records may cover:

1. Any period for which You claim to be Disabled; and
2. Any period needed by Us to determine Your Prior Monthly Earnings.

GENERAL PROVISIONS

RIDER PREMIUM – The annual premium for this rider is shown on the data page. We can change the Rider Premium only:

1. After the rider is three years old; and
2. If the change applies to all policies with like benefits insuring the same Risk Class.

RIDER EFFECTIVE DATE – The effective date for this rider is the same as the policy Effective Date, unless a different effective date has been given to this rider by an endorsement signed by You and the Owner, if different.

TIME LIMIT ON CERTAIN DEFENSES – The policy's Time Limit On Certain Defenses provision will apply to this rider as of the Rider Effective Date.

TERMINATION – This rider will end on the earlier of:

1. The Termination Date; or
2. The date the policy ends for any reason.

In addition, the Owner may terminate this rider by sending Us a written request. Such termination will be effective on the date the request is received at Our home office, or on the date the Owner requests, subject to Our approval. Termination of this rider may require termination of other riders.

PART OF POLICY – This rider is part of the policy to which it is attached. All policy terms and conditions will apply to this rider if they:

1. Have not been changed by this rider; and
2. Do not conflict with this rider.

STANDARD INSURANCE COMPANY



J. Greg Ness
President

By



Holley Franklin
Corporate Secretary

Standard Insurance Company

CATASTROPHIC DISABILITY BENEFIT RIDER

This rider pays a benefit for Catastrophic Disability.

DEFINITIONS

ACTIVITY / ACTIVITIES OF DAILY LIVING – These are: [Bathing](#); [Continence](#); [Dressing](#); [Eating](#); [Toileting](#); and [Transferring](#), as defined below.

BATHING - Washing oneself with or without the help of adaptive devices. Washing may be in the tub or shower or by sponge bath.

CONTINENCE – (1) Voluntarily controlling bowel and bladder function; or (2) If incontinent, maintaining a reasonable level of personal hygiene.

DRESSING – Putting on or removing all items of: clothing and footwear; medically necessary braces; and artificial limbs.

EATING – Getting food and fluid into the body. This may be done: manually or intravenously; or by feeding tube.

TOILETING – (1) Getting to and from, and on and off, the toilet; and/or (2) performing related personal hygiene.

TRANSFERRING – Moving into or out of: a bed, a chair or a wheelchair. This may be done with or without adaptive devices.

CATASTROPHIC DISABILITY / CATASTROPHICALLY DISABLED - Because of Your Injury or Sickness:

1. You are unable to safely and completely perform two or more Activities Of Daily Living without Hands-on Assistance or Standby Assistance due to loss of functional capacity;
2. You require Substantial Supervision for Your health or safety due to Severe Cognitive Impairment; or
3. You are Presumptively Totally Disabled, as described in the policy.

HANDS-ON ASSISTANCE – The physical assistance of another person without which You would be unable to perform the Activity Of Daily Living in question.

SEVERE COGNITIVE IMPAIRMENT – A [loss of or deterioration in intellectual capacity](#) that:

1. Is comparable to (and includes) Alzheimer’s disease and similar forms of irreversible dementia, including dementia resulting from: (a) Stroke or trauma; or (b) Infectious conditions; and

2. Is measured by clinical evidence and standardized tests approved by Us that reliably measure impairment in: (a) Short-term or long-term memory; (b) Orientation as to people, places, or time; and (c) Deductive or abstract reasoning.

STANDBY ASSISTANCE – The presence of another person within arm’s reach that is necessary to prevent, by physical intervention, injury to You while You are performing the Activity of Daily Living in question.

SUBSTANTIAL SUPERVISION – Continual supervision by another person that is necessary to protect You from threats to Your health or safety (such as may result from wandering). It may include cueing by: verbal prompting or gestures; or other similar demonstrations.

BENEFITS

BENEFIT FOR CATASTROPHIC DISABILITY – You will be eligible for the benefit for Catastrophic Disability if:

1. You become Catastrophically Disabled while this rider is in force; and
2. The benefit for Total Disability is payable under the policy.

This benefit will start after the Waiting Period ends. However, if You are Presumptively Totally Disabled, benefits start on the day Your Presumptive Total Disability begins. Benefits will continue through the Maximum Benefit Period, provided that You remain eligible for this benefit according to this rider. Payment of this benefit will be in addition to any other payment that may be due under the policy or any other rider made part of the policy. We will pay this benefit monthly. The amount of this benefit is shown on the data page.

We will pay the benefit for Catastrophic Disability after We receive proof of Loss satisfactory to Us. In addition, We may terminate, defer or suspend payment of this benefit as outlined in the policy’s Claims provision.

GENERAL PROVISIONS

RIDER PREMIUM – The annual premium for this rider is shown on the data page. We can change the Rider Premium only:

1. After the rider is three years old; and
2. If the change applies to all policies with like benefits insuring the same Risk Class.

RIDER EFFECTIVE DATE – The effective date for this rider is the same as the policy Effective Date, unless a different effective date has been given to this rider by endorsement signed by You and the Owner, if different.

TIME LIMIT ON CERTAIN DEFENSES – The policy’s Time Limit On Certain Defenses provision will apply to this rider as of the Rider Effective Date.

TERMINATION – This rider will end on the earlier of:

1. The Termination Date; or
2. The date the policy ends for any reason.

In addition, the Owner may terminate this rider by sending Us a written request. Such termination will be effective on the date the request is received at Our home office, or on the date the Owner requests, subject to Our approval. Termination of this rider may require termination of other riders.

PART OF POLICY – This rider is part of the policy to which it is attached. All policy terms and conditions will apply to this rider if they:

1. Have not been changed by this rider; and
2. Do not conflict with this rider.

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Sample Protector Essential Individual Disability Income Insurance Policy
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