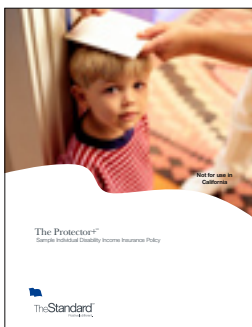




## Questions and Answers about The Protector+<sup>SM</sup>

by

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*The Protector+ Sample Policy is form #12637*

### Why are you introducing a new product when The Protector is only five years old?

We made changes to the policy based on your requests and the needs of the marketplace.

### Why did you change the name?

We did not dramatically change the name because The Protector has strong name recognition and the changes are not a dramatic distancing from the original.

### What is different in The Protector+?

- **Exclusion for intentionally self-inflicted injury.** This was excluded in The Protector under the definition of injury. To clarify our position, The Protector+ has this in the exclusion list.
- **The definition of regular occupation** is expanded to include what happens when insureds retire during their working

years. Otherwise, the definition remains the same, with the occupation defined at the time of disability and according to the recognized specialties in law and medicine.

- **The rehabilitation benefit** is changed, keeping the original spirit but making it more easily accessible.

The new language allows the insured to volunteer for a rehabilitation program with The Standard and have the expenses reimbursed for that approved program as well as receive up to 36 months of continued benefits. We feel this has a great potential to encourage claimants to return to work without adverse consequences for the insured. It is a win-win situation.

- **Catastrophic benefits rider.** This new rider pays a catastrophic benefit in addition to the basic monthly benefits, if the insured is receiving the total disability benefit already and is unable to perform at least two Activities of Daily Living (ADLs) or is cognitively impaired.

● **The noncancelable rider** is the same with one exception. It is expanded to include occupation classes A and B.

● **The residual disability rider** The amount of recovery benefit is enhanced. The benefit available is now six times the policy benefit, as opposed to four (subject to further limitations).

● **ICOL rider.** A new ICOL rider is now available with either a three percent or six percent cap. There is a new “catch up” feature as well as the option to purchase the attained amount after recovery.

● **The own occupation rider** is available to all the same occupations as before, and is still tied to the purchase of the noncancelable rider. There is one important difference. We have tied the mental disorder/substance abuse two year limitation to the purchase of the own occ rider.

If insureds do not purchase the own occ rider the benefit for mental disorder/substance abuse disabilities is the same as for any other covered disability.

When the purchase includes own occ, the mental disorder/substance abuse limitation becomes part of the contract via an endorsement.

Now you can choose between own occ and two year mental disorder/substance abuse and no own occ without the two year mental disorder/substance abuse limitation. We feel this ability to choose from two very dramatic directions makes us unique in the industry and allows the consumer to tailor the coverage to meet the individual’s needs.

**Most companies have extended monthly recovery benefits. Why didn’t The Standard introduce that**

**type of benefit instead of the six month lump sum recovery?**

The Standard used to have an extended monthly recovery benefit before we launched The Protector in 2000. After discussion with our claims staff, we found that the extended monthly recovery benefit was not utilized. Why? Our definition of residual is more liberal than our competition. We refer to loss of earnings coupled with loss of time *or* duties *or* effectiveness.

The same meeting with the claims staff in 2000 resulted in a unique solution or enticement to the “recovery” need. Lump sum was the solution. It is a thank you check for recovering fully and completely — no disability, no physician report, no loss of time, duties or effectiveness, no loss of income. It is just a thank you check for recovering — and that check has grown from four months to six! (The insured must be working in an occupation at least 30 hours per week.)

**What are the competitive advantages of the new product?**

The new product has one distinct competitive advantage: choice. The Protector+ is priced for choice. Noncancelable versus guaranteed renewable,

**The Standard**  
Possibly different.

**Where We Are Today**

The Standard is the largest subsidiary of StanCorp Financial Group, Inc., which has, since 2003, appeared annually on the Forbes Platinum 400 Best Big Companies in America list. StanCorp trades on the New York Stock Exchange under the symbol “SFG.”

We truly care about creating and maintaining long-term relationships, and our intention is to anticipate and exceed customer expectations. As a leading provider of individual disability insurance products, we do this by tailoring insurance to individual circumstances, responding promptly to inquiries, being consistently fair in claims management, and going out of our way to deliver on our promises.

In a global context, The Standard is not the largest financial services company, though generations of Americans have entrusted us with their financial security. Over 7 million Americans are accustomed to pleasant

**Financial Strength Ratings**

A.M. Best . . . . . A  
“Excellent” (3rd of 13 rankings)

Fitch . . . . . AA-  
“Very Strong” (4th of 16 rankings)

Standard & Poor’s . . . . . A+  
“Strong” (5th of 16 rankings)

Moody’s . . . . . A1  
“Good” (5th of 16 rankings)

**Individual Disability Insurance**

**Eric E. Parsons**  
Chairman, President  
and Chief Executive Officer

Eric Parsons was appointed to StanCorp’s Board of Directors in 2002. In 2003 he became President and Chief Executive Officer of Standard Insurance Company. In 2004, he was appointed Chairman of StanCorp Financial Group, Inc. and Standard Insurance Company.

About The Standard Information Sheet is form #10454

a major choice and premium difference. Own occ with two year mental disorder/substance abuse limitation versus the base definition for total disability with no limitation for mental/disorder substance abuse. These are just two of the choices. There are many. The Standard continues to provide the best opportunity for DI for all occupation classes.

**What is your market focus?**

Our market focus for The Protector since 2000 has been all occupations, i.e., 5A, 4A, 3A, 2A, A & B. We created The Protector, with definitions for presumptive disability, total disability, residual, etc., to be the same for all occupations.

Market focus is sometimes very different from market success. Our market success has been in the physician market. Our market focus is all occupations. We believe The Protector+ gives us ample opportunity to compete in all occupations.

**What happened to the mental disorder limitation?**

The mental disorder/substance abuse two year limitation was removed from the base policy and is only attached by endorsement if 1) your client purchases the own occ rider, or 2) underwriting deems it necessary to taking the risk.

**How financially stable is The Standard?**

Financial stability is one of our greatest strengths. The Standard is one of only two companies that specialize in both group and individual disability products. The Standard is proud of its ratings, and feels it is because of our people, the strength of our financial ratings and our integrity, that ratings agencies view us in such a favorable light.

**Will commissions rates change?**

They will remain the same.

**Since physician rates have gone up, is The Standard no longer concerned with the physician ratio?**

We are still concerned about the physician mix; charging more premium for physicians does not change the mix concern. If we had an overabundance of plumbers, attorneys or farmers, we would have the same concern. Too much of one industry is a difficult way to manage risk, so we want to spread the risk across several occupations to be more comfortable in the risk selection business of DI.

We are not discouraging physicians to come to The Standard for DI. We are encouraging all the other occupations to see the same thing physicians see: that holding a contract with The Standard is valuable, while protecting their most valuable asset — their ability to work and earn an income.

**Is there a different DI product for GSI cases?**

No. It is the same product. However, we made some changes to the pre-existing conditions provision and based the maximum benefit period schedules on Department of Labor requirements. The definitions, pricing, occupations and compensation remain the same as the individually purchased The Protector+ product.

**What discounts are available?**

- **10% for associations** (see Association Guidelines)
- **10% for multi life** (3 or more lives)
- **15% for voluntary guaranteed standard issue** (VGSI)
- **20% for mandatory guaranteed standard issue** (MGSI).

For producers only. Not for use with consumers.



**The Protector+ has one distinct competitive advantage: Choice.**



*The Protector+ Policy  
Summary is form #12638*

### **How will I know if a state has been approved for The Protector+?**

Visit [www.standard.com/di](http://www.standard.com/di) to see the most current list of approved states and also for state specific sample policies.

### **The old contract used age nearest. How does the new one work?**

We changed from age nearest to age last to make it easier to quote and apply for coverage without an age change taking place during the process.

### **If my customer bought The Protector contract and wants to exercise the FPO, which contract will be issued, and how does that work with changing ages?**

The new coverage will be The Protector+ with an age last birthday.

### **What is the date when you will no longer accept applications for The Protector?**

Cut-off dates will be 30 days after The Protector+ is approved in your state. After the cut-off date, you have seven days until the application is due in The Standard home office. You can send in applications without income documentation if it means you will not otherwise meet the cut-off date. However, submission of income documentation is still mandatory.

### **I have an application right now in underwriting. Can I switch it to The Protector+?**

Yes. The Protector+ must be approved in the state where the application was signed. Contact your underwriter to make this change.

### **Will The Standard permit pending or existing The Protector contracts to be replaced with The Protector+ if it is in the best interest of my client?**

Yes. We will allow for this if the application is pending or if the policy has been in force for 30 days or less. The Protector+ must be approved in the state where the application was signed. Contact The Standard's Policy Issue Team to make this change. Policies in force for more than 30 days will remain as The Protector policies. ■



**TheStandard**<sup>SM</sup>  
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