

River Valley School District, Spring Green, Wisconsin  
**Proposal for a Short Term Disability Insurance Policy**

This insurance provides periodic benefit payments to help replace income when the insured is unable to work as a result of physical disease or injury.

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Date prepared August 31, 2022  
This proposal is valid for 90 days  
Proposed effective date October 1, 2022

Presented by:  
National Insurance Services  
800.627.3660

Underwritten by:  
MADISON NATIONAL LIFE INSURANCE COMPANY, INC.

## SHORT TERM DISABILITY INSURANCE PROPOSAL

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### COVERED MEMBERS

To be eligible for insurance, an Employee must be actively at work on the effective date of the insurance, be a member of an insured eligible class and meet the minimum hourly work requirement.

01 All Eligible Employees

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**PLAN DETAILS - 0/3 Elimination Period**

<b>Rate Guarantee</b>	Until the next plan renewal date
<b>STD Benefit Percent</b>	66-2/3% of basic earnings
<b>Maximum Benefit</b>	\$250 (Core); \$1,500 (Buy Up)
<b>Benefit Calculation Type</b>	Direct
<b>Minimum Hourly Work Requirement</b>	20 hours per week
<b>Elimination Period</b>	Accident: 0 days; Sickness 3 days
<b>Cumulative Elimination Period</b>	None
<b>24 Hour Coverage</b>	No; Non-Occupational Only
<b>Guarantee Issue</b>	\$250 (Core); \$1,500 (Buy Up)
<b>Pre-Disability Earnings</b>	Base Wage Only
<b>Evidence of Insurability</b>	Required for late enrollees, benefit increases, or insurance in excess of the Guarantee Issue amount.
<b>Maximum Benefit Period</b>	Commencing at the end of the Elimination Period and continuing for the lesser of 60 Consecutive Calendar Days or until LTD Benefits become payable
<b>Own Occupation Period</b>	Duration of Benefits
<b>Definition of Disability</b>	Total
<b>Pre-Existing Conditions</b>	12 months/12 months
<b>Other Income Integration (includes but is not limited to):</b>	Social Security – Full Family Sick Pay – Direct Offset Employer's Retirement Plan – Direct Offset Worker's Compensation – Direct Offset
<b>Recurrent Disability</b>	2 weeks
<b>Employer Premium Contribution</b>	100% (Core); 0% (Buy Up)
<b>Minimum Participation Required</b>	100% (Core); Greater of 10 lives or 15% (Buy Up)
<b>Continuation of Insurance</b>	Insurance may continue with payment of premiums during FMLA leave; Suspension of coverage for up to one year while on Military Leave

<b>Reasonable Accommodation Expense Benefit</b>	<b>No</b>
<b>Child-Family Care Expense Adjustment</b>	<b>No</b>
<b>Rehabilitation</b>	<b>No</b>

**COST**

**CORE:**

Eligible Class	Number of Lives	Rate	Approximate Weekly Benefit Volume	Approximate Annual Premium
01 - All Eligible Employees	170	\$0.42 per \$10 of Weekly Benefit	\$41,772	\$21,053
<b>TOTALS</b>	170		\$41,772	\$21,053

**BUY-UP:**

Eligible Class	Rate	Approximate Weekly Benefit Volume	Approximate Annual Premium	Number of Lives
01 - All Eligible Employees	\$0.467 per \$10 of Weekly Benefit <sup>^</sup>	TBD	TBD	
				0
<b>TOTALS</b>		TBD	TBD	

<sup>^</sup>Buy-up rates apply to the combined (Core + Buy-Up) benefit amount

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**PLAN DETAILS – 0/7 Elimination Period**

<b>Rate Guarantee</b>	Until the next plan renewal date
<b>STD Benefit Percent</b>	66-2/3% of basic earnings
<b>Maximum Benefit</b>	\$250 (Core); \$1,500 (Buy Up)
<b>Benefit Calculation Type</b>	Direct
<b>Minimum Hourly Work Requirement</b>	20 hours per week
<b>Elimination Period</b>	Accident: 0 days; Sickness 7 days
<b>Cumulative Elimination Period</b>	None
<b>24 Hour Coverage</b>	No; Non-Occupational Only
<b>Guarantee Issue</b>	\$250 (Core); \$1,500 (Buy Up)
<b>Pre-Disability Earnings</b>	Base Wage Only
<b>Evidence of Insurability</b>	Required for late enrollees, benefit increases, or insurance in excess of the Guarantee Issue amount.
<b>Maximum Benefit Period</b>	Commencing at the end of the Elimination Period and continuing for the lesser of 60 Consecutive Calendar Days or until LTD Benefits become payable
<b>Own Occupation Period</b>	Duration of Benefits
<b>Definition of Disability</b>	Total
<b>Pre-Existing Conditions</b>	12 months/12 months
<b>Other Income Integration (includes but is not limited to):</b>	Social Security – Full Family Sick Pay – Direct Offset Employer's Retirement Plan – Direct Offset Worker's Compensation – Direct Offset
<b>Recurrent Disability</b>	2 weeks
<b>Employer Premium Contribution</b>	100% (Core); 0% (Buy Up)
<b>Minimum Participation Required</b>	100% (Core); Greater of 10 lives or 15% (Buy Up)
<b>Continuation of Insurance</b>	Insurance may continue with payment of premiums during FMLA leave; Suspension of coverage for up to one year while on Military Leave

<b>Reasonable Accommodation Expense Benefit</b>	<b>No</b>
<b>Child-Family Care Expense Adjustment</b>	<b>No</b>
<b>Rehabilitation</b>	<b>No</b>



**COST**

**CORE:**

Eligible Class	Number of Lives	Rate	Approximate Weekly Benefit Volume	Approximate Annual Premium
01 - All Eligible Employees	170	\$0.302 per \$10 of Weekly Benefit	\$41,772	\$15,138
<b>TOTALS</b>	170		\$41,772	\$15,138

**BUY-UP:**

Eligible Class	Rate	Approximate Weekly Benefit Volume	Approximate Annual Premium	Number of Lives
01 - All Eligible Employees	\$0.341 per \$10 of Weekly Benefit <sup>^</sup>	TBD	TBD	
				0
<b>TOTALS</b>		TBD	TBD	

<sup>^</sup>Buy-up rates apply to the combined (Core + Buy-Up) benefit amount

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**PLAN DETAILS – 7/7 Elimination Period**

<b>Rate Guarantee</b>	Until the next plan renewal date
<b>STD Benefit Percent</b>	66-2/3% of basic earnings
<b>Maximum Benefit</b>	\$250 (Core); \$1,500 (Buy Up)
<b>Benefit Calculation Type</b>	Direct
<b>Minimum Hourly Work Requirement</b>	20 hours per week
<b>Elimination Period</b>	Accident: 7 days; Sickness 7 days
<b>Cumulative Elimination Period</b>	None
<b>24 Hour Coverage</b>	No; Non-Occupational Only
<b>Guarantee Issue</b>	\$250 (Core); \$1,500 (Buy Up)
<b>Pre-Disability Earnings</b>	Base Wage Only
<b>Evidence of Insurability</b>	Required for late enrollees, benefit increases, or insurance in excess of the Guarantee Issue amount.
<b>Maximum Benefit Period</b>	Commencing at the end of the Elimination Period and continuing for the lesser of 60 Consecutive Calendar Days or until LTD Benefits become payable
<b>Own Occupation Period</b>	Duration of Benefits
<b>Definition of Disability</b>	Total
<b>Pre-Existing Conditions</b>	12 months/12 months
<b>Other Income Integration (includes but is not limited to):</b>	Social Security – Full Family Sick Pay – Direct Offset Employer's Retirement Plan – Direct Offset Worker's Compensation – Direct Offset
<b>Recurrent Disability</b>	2 weeks
<b>Employer Premium Contribution</b>	100% (Core); 0% (Buy Up)
<b>Minimum Participation Required</b>	100% (Core); Greater of 10 lives or 15% (Buy Up)
<b>Continuation of Insurance</b>	Insurance may continue with payment of premiums during FMLA leave; Suspension of coverage for up to one year while on Military Leave

<b>Reasonable Accommodation Expense Benefit</b>	<b>No</b>
<b>Child-Family Care Expense Adjustment</b>	<b>No</b>
<b>Rehabilitation</b>	<b>No</b>

**COST**

**CORE:**

Eligible Class	Number of Lives	Rate	Approximate Weekly Benefit Volume	Approximate Annual Premium
01 - All Eligible Employees	170	\$0.294 per \$10 of Weekly Benefit	\$41,772	\$14,737
<b>TOTALS</b>	170		\$41,772	\$14,737

**BUY-UP:**

Eligible Class	Rate	Approximate Weekly Benefit Volume	Approximate Annual Premium	Number of Lives
01 - All Eligible Employees	\$0.33 per \$10 of Weekly Benefit <sup>^</sup>	TBD	TBD	
				0
<b>TOTALS</b>		TBD	TBD	

<sup>^</sup>Buy-up rates apply to the combined (Core + Buy-Up) benefit amount

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## **CARRIER RATING**

**Underwritten by Madison National Life Insurance Company, Inc. (MNL)**

**Founded in 1961, Madison National Life Insurance Company, Inc. (MNL) is headquartered in Madison, the rapidly growing capital city of Wisconsin. Madison National Life is licensed in 49 states and specializes in group life, disability and specialty health insurance. The company is a wholly owned subsidiary of Horace Mann Educators Corporation (NYSE:HMN), the largest financial services company focused on providing America's educators and school employees with insurance and retirement solutions.**

**Prior to the acquisition of Madison National Life by Horace Mann, which closed on January 1, 2022, AM Best had maintained an under review with developing implications status for the Financial Strength Rating of A- (Excellent) and the Long-Term Issuer Credit Rating of "A-" (Excellent) of Madison National Life Insurance Company, Inc.**

**Horace Mann maintains an "A" Financial Strength Rating from AM Best, S&P and Fitch Ratings, as well as an "A2" Financial Strength Rating from Moody's Investor Service. All ratings have a "stable" outlook.**

## SERVICES INCLUDED

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### FLEXIBLE BILLING

Self-bill and list-bill options are available. Payments can be made on a monthly basis by multiplying the total insured payroll for the month by the rate indicated on this proposal.

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### COMBINED BILLING

When you purchase any combination of Long Term Disability, Short Term Disability, Group Term Life and AD&D insurance from National Insurance Services (NIS), you can opt for combined billing (either list-bill or self-bill) which includes:

- Summary sheet with totals for all your benefits.
- One payment by check or electronically through ACH.
- No need to calculate any billing adjustments. When changes affect billing, we will make the adjustments on a subsequent statement.

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### CLAIMS MANAGEMENT

Madison National Life Insurance Company, Inc. (MNL) understands that a disability may not only be stressful for an Employee and their family, but also for the employer. So, even though it's not part of an insurance policy, we believe part of our job is to reduce the stress associated with a disabling physical disease or injury. In coordination with our carrier partners, we employ the following methods for handling claims and assisting a successful return-to-work.

- One point of contact – most groups assigned one claim specialist
- Expedited answers – most calls returned in 24 hours or less
- Rehabilitation intervention – vocational and site-modification programs
- Patient advocacy – helps restore patient's outlook and manage disability
- Social Security application assistance
- Contact with claimant at certain milestones depending upon physical disease or injury

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### CLAIM PAYMENT METHOD

School groups may choose to have benefits paid on a daily compensation basis. If elected, teachers and other "contract day" Employees will have their annual pay divided by the number of contract working days to determine a daily benefit. For "non-contract day" Employees, the claimant's annual pay will be divided by the number of months which is closest to the insured person's actual work year.

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### FICA TAX ADMINISTRATION

Madison National Life Insurance Company, Inc. will pay the Employer's portion of FICA withholding and release the Employer from 941 and W-2 reporting requirements. Madison National Life Insurance Company, Inc. will invoice the Employer for reimbursement of the FICA tax expenses.



## KEY DEFINITIONS AND PROVISIONS

(These provisions may vary by state)

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### EMPLOYEE ELIGIBILITY

To be eligible for insurance, the Candidate must be an Employee who works for the Employer as a member of an Eligible Class who is reported on the Employer's records for Social Security and tax withholding purposes. The Candidate must be a citizen or legal resident of the United States or Canada, and must reside in the United States or Canada. The Candidate must be Actively at Work and capable of sustained Active Work on the effective date of their insurance and must be meeting the Minimum Hourly Work Requirement. The Candidate cannot be a full-time member of the armed forces of any country, leased Employee or independent contractor and must satisfy their Waiting Period.

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### DEFINITION OF DISABILITY

During the Elimination Period and the Benefit Payment Period, Disability and Disabled means the Insured is, as a result of Physical Disease, Injury, Pregnancy or Mental Disorder, unable to perform a majority of the Material Duties of their Own Occupation.

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### WHEN STD BENEFITS END

An Insured Person's STD Benefits end automatically on the earliest of the following:

- The date the insured person is no longer Disabled;
- The date the insured person's Maximum Benefit Period ends;
- The date the insured person dies;
- The date the insured person becomes eligible for insurance under any other group STD plan obtained through employment;
- The date the insured person fails to provide satisfactory objective medical evidence of continued Disability;
- The date the insured person fails to comply with the Insurer's request to be examined by a Physician, other medical practitioner and/or a vocational or rehabilitation expert of the Insurer's choice;
- The date the insured person refuses to accept an accommodated position, offered by the Employer, which they are able to perform, whether it is in the Insured Person's Own Occupation or Any Occupation;
- The date at which the insured person has resided outside of the United States or Canada for 6 months;
- The date that the insured person is confined in a penal or correctional institution or under house arrest;
- The date that the insured person fails to comply with any requirements set forth in Section XIX, Responsibilities of Disabled Insureds.

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### INCOME THAT REDUCES DISABILITY PAYMENTS

Disability income from the Social Security Administration, any State Disability Plan and other deductible sources of income will be deducted from the insured's income for purposes of calculating benefits unless otherwise stated in the Plan Details section of this proposal. After the first deduction for Social Security benefits, the monthly benefit will not be further reduced due to any cost of living increase payable under Social Security benefits.

If the insured is eligible for Social Security Disability benefits, but chooses instead to receive Social Security Retirement benefits, this plan will estimate the amount of the eligible Social Security Disability benefit and reduce the gross Short Term Disability benefit with the estimated amount.

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## INCOME THAT DOES NOT REDUCE DISABILITY PAYMENTS

This policy will not deduct individual disability insurance benefits, accelerated benefits under a life insurance policy, group credit or mortgage disability insurance benefits, or deferred compensation from the insured's income for the purpose of calculating benefits. Also, the insured's benefit payments will not be reduced by income earned through an occupation held in addition to the own occupation prior to becoming disabled, unless that income exceeds the amount earned immediately prior to disablement.

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## EXCLUSIONS

Disabilities which are caused by or which the following contributed to are not insured by this plan:

- War or any act of war, declared or undeclared
- Active participation in a violent disorder or riot
- Commission of, or attempt to commit, any crime or while engaging in an illegal activity
- Intentionally self-inflicted injury or attempted suicide
- During military leave in the armed forces of any state or country, or while imprisoned
- Occupational Disability. Insureds are not covered for a disability arising out of or in the course of any employment for wage or profit.

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## PRE-EXISTING CONDITIONS

The Insured is not covered for a Disability caused or contributed to by a Pre-existing Condition or medical or surgical treatment of a Pre-existing Condition unless they have been continuously insured under the Group Policy for at least 12 months and has been Actively at Work for at least 1 full day after the end of that 12 months.

If the Insured is not covered for a Disability because of the Pre-existing Condition exclusion for their current STD insurance, they are not covered for that same Disability for any STD insurance increase because of an Eligible Class or Group Policy change.

STD insurance increase because of an Eligible Class or Group Policy change. The Insured is not covered for a Disability caused or contributed to by a Pre-existing Condition or medical or surgical treatment of a Pre-existing Condition unless they have been continuously insured under the Group Policy for at least 12 months from the effective date of the STD insurance increase and has been Actively at Work for at least 1 full day after the end of that 12 months

**Pre-existing Condition** means a mental or physical condition whether or not diagnosed or misdiagnosed for which the Insured has consulted a Physician or other licensed medical professional, received medical treatment, services or advice, undergone diagnostic procedures, including self-administered procedures, or taken prescribed drugs or medications at any time during the 12 months period just before the effective date of the Insured's insurance under the Group Policy or the effective date of the STD insurance increase.

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## LIMITATIONS

**Foreign Residency.** Payment of STD Benefits is limited to 6 months for each period of continuous Disability while the Insured resides outside of the United States or Canada.

**Payment Limit.** In no event will the STD Benefit plus Deductible Income plus Work Earnings exceed 100% of Predisability Earnings. In the event the Insured's STD Benefit plus Deductible Income plus Work Earnings exceeds 100% of Predisability Earnings, the STD Benefit will be reduced by the amount in excess of 100% of Predisability Earnings, subject to the Minimum Monthly Benefit.

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## TERMINATION

The Insurer may terminate insurance as follows:

- ▶ If a premium payment is not received by the due date or grace period.
- ▶ If the number of people insured is less than the minimum participation number or percentage.
- ▶ If the Employer fails to promptly furnish any requested information or fails to perform any other obligations relating to the group policy.
- ▶ By giving the Employer at least 60 days advance written notice or on the date that the Employer breaches any part of the contract.

The Employer may terminate insurance under the group policy by giving the insurer at least 31 days written notice. The effective date of termination will be the date stated in the notice or the next payment due date, whichever date is later.

An Insured Person's Insurance, subject to the When Your Insurance Ends provision found within the Certificate, will cease on the earliest of the following to occur:

- ▶ the date the Employer's insurance under the Group Policy terminates;
- ▶ the date the insured person ceases to be an Eligible Insured Person;
- ▶ the date that premium payment is not paid when required;
- ▶ the insured person's Retirement Date.

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## CHANGES IN PREMIUM RATES

Premium rates will not be changed during the initial rate guarantee period except if any of the following occur:

- ▶ A change or clarification in a law or governmental regulation affects the amount payable under the Group Policy. Any such change in premium rates will reflect only the change in the Insurer's obligations.
- ▶ Factors material to the underwriting risk the Insurer assumed under the Group Policy with respect to an Employer, including, but not limited to, the number of persons insured, age, Predisability Earnings, gender and occupational classification change significantly.
- ▶ The premium contribution arrangement for insured Employees is changed or varies from that provided for under the Group Policy when issued or last renewed.
- ▶ Plan design changes are requested by the Employer.
- ▶ The Insurer and the Employer mutually agree to change premium rates.

**This proposal is not the insurance contract. It is only a brief description of your insurance to assist in your decision to elect this insurance. Complete details including all benefits, exclusions, and limitations will be contained in the Certificate of Insurance which will be issued by your Employer at a later date.**

Administered by:  
 **NIS**  
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