Financial Requirements

Financial Requirements Summary — Individual Disability Products (including Future Purchase/Increase Option exercises)

Monthly Indemnity Documentation Required
$2,000—$7,099 One year financial returns (for following specific financial returns required)
$7,500 and Up Two years’ financial returns (for following specific financial returns required)

Personal Financial Information is required to be completed on all DI Applications. Include amounts in force with all companies when determining DI tax requirements. For Eligible Enhanced Quick Issue (EQI) cases, financial returns are not required; however, the financial section of the application must be completed.

Specific Financial Returns Required

Occupation/Business Status Documentation Required
Employee Form 1040 or W-2, or payroll stub with year-to-date earnings
Joint Returns Form 1040 and W-2
Sole Proprietor (or Independent Contractor) Form 1040 with all schedules
Partnership Form 1065 with all schedules, Form 1065S with all schedules
S Corporation Form 1065 with all schedules
C Corporation Form 1065 with all schedules, Form 1120, Form 1120S, Form 1120-H
Limited Liability Company (LLC) or S Corporation Form 1065 with all schedules, Form 1120H

Start Up Savvy Underwriting Programs

Start Up Savvy for Individual Disability

This program allows new business owners to financially qualify for benefits based on prior W-2 income earned over the last full calendar year in the same occupation. This underwriting approach, specifically for newly self-employed business owners, is designed to deliver more favorable benefit offers, while at the same time eliminating the need for hard-to-obtain financial documents such as profit and loss statements or client contracts. This program is available with ProVider Plus and ProVider Plus Limited policies. The following, along with the application and usual medical underwriting requirements, is needed to underwrite under this program:

1. Ages 30 through 50, with at least 5 years of industry experience.
2. Working in an industry other than real estate or financial services.
3. Submits a copy of the most recent W-2 from the prior employer.

The Offer:

Physicians and Dentists

Maximum monthly benefit based on 70% of the verified prior W-2 earnings, not to exceed $7,500

All Other Occupations (except Physicians and Dentists)

Maximum monthly benefit based on 50% of the real estate and financial services

Note: Personal Financial Information section must be completed on all applications.

Business Reducing Term

Documentation Required

A copy of the obligation

Overhead Expense

(including Future Purchase/Increase Option exercises)

Type of Business Documentation Required
Professional/Personal Services Business Schedule C only
Commercial Business Form 1065
Partnership Form 1120
S Corporation Form 1120
Limited Liability Company (LLC) May file as any one of the above
Limited Liability Partnership (LLP) Appropriate terms required accordingly

Additional financial documentation may be required whenever financial history dictates.

We understand that Physicians and Dentists compensated as 1099 employees might not be able to provide the documentation of expenses necessary to determine their net income when exercising FIO in their first year in practice. In situations where documentation of expenses has been requested and cannot be obtained, we will use a 50% expense ratio in conjunction with the documented 1099 income in order to determine available FIO benefits based on net income. This exception applies only to Physicians and Dentists compensated by 1099 income and only in situations where they are exercising their FIO on the first policy anniversary. In all other situations, documentation of actual income and expenses must be provided in line with our underwriting guidelines.
**Enhanced Quick Issue Program** (unavailable in CA)

This program provides for up to $5,000 of total IDI coverage and up to $10,000 OE coverage with no financial documentation, labs or Paramed exams. The TeleMed interview is required along with the OE Supplement (if applying for OE). Coverage issued under this program will have no occupation class or policy feature restrictions, and no change to maximum issue and participation limits.

<table>
<thead>
<tr>
<th>Ages</th>
<th>Paramedical Exam</th>
<th>HIV</th>
<th>Blood/Urine</th>
<th>EKG</th>
<th>Inspection Report</th>
</tr>
</thead>
<tbody>
<tr>
<td>18-40</td>
<td>$3,000</td>
<td>$500</td>
<td>$3,000</td>
<td>N/A</td>
<td>$500</td>
</tr>
<tr>
<td>41-50</td>
<td>2,500</td>
<td>$500</td>
<td>2,500</td>
<td>N/A</td>
<td>500</td>
</tr>
<tr>
<td>51-60</td>
<td>1,500</td>
<td>$500</td>
<td>1,500</td>
<td>10,000</td>
<td>500</td>
</tr>
<tr>
<td>Over 60</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
</tbody>
</table>

**Maximum Monthly Benefit/Total Coverage**

<table>
<thead>
<tr>
<th>Ages</th>
<th>18-40</th>
<th>41-50</th>
</tr>
</thead>
<tbody>
<tr>
<td>Up to $5,000 IDI</td>
<td>$10,000 OE</td>
<td></td>
</tr>
<tr>
<td>Up to $10,000 OE</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Medical Requirement**

- TeleMed Interview

**Financial Requirements**

<table>
<thead>
<tr>
<th>Ages</th>
<th>18-40</th>
<th>41-50</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fully completed financial section of the application and a fully completed OE</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* **Required** for individual disability products only.
† **Inspection Report** is not required for cases submitted thru the TeleMed program (applicant issue ages 18–55). Inspection Report not required for students, residents or fellows applying under the Special Limits for New Professionals.
‡ **Inspection reports** are required for all amounts.

**ABE Calculation for OE** is: (Base X 1.27)

**ABE Calculation for IDI** is: (Base X 1.27) + SIS + ½ of FIO; and

**ABE Calculation for IDI** is: (Base X 1.27) + SIS + ½ of FIO; and

**ABE Calculation for OE** is: (Base X 1.27)

NOTE: ABE is only available under OE if at least one ABE increase is available with exceeding OE limits.

**NOTE:** Preferred is not available under OE when we do not obtain current labs, build, blood pressure and pulse.

**NOTE:** Standard OE (excluding Group LTD coverage), Social Insurance Substitute rider and ½ of Future Income Option rider amounts. Normal issue and participation limits apply.

**NOTE:** To be eligible, the applicant must be a business owner and any resulting policy will be dated on or after the date the business or practice is formally opened and operating. OE is not available under the OE EQI Program.

**NOTE:** Up to $10,000 OE can be considered with the submission of a completed Enhanced Quick Issue (“EQI”) means expedited and streamlined underwriting. EQI applications cannot be combined with other special programs. EQI does not mean guaranteed standard issue and does not modify underwriting requirements other than those specifically stated herein. State variations and restrictions apply.

**NOTE:** Total coverage is the sum in force and applied for monthly benefits (excluding Group LTD coverage), Social Insurance Substitute rider and ½ of Future Income Option rider amounts. Normal issue and participation limits apply.

When submitting cases through the TeleMed interview only option can also be used while the producer is with the client, provided that the client conducts the interview in a secure, private location.

When submitting cases through the TeleMed–All Services program, all medical requirements will be ordered for you.

**Approved Vendors**

When not using the TeleMed–All Services Program, medical requirements must be ordered from the following approved vendors:

<table>
<thead>
<tr>
<th>Service</th>
<th>Approved Vendors</th>
</tr>
</thead>
<tbody>
<tr>
<td>Paramedical exams, blood and urine collection, EKG and X-Ray</td>
<td>ExamOne, APPS, Paramedics.com, Superior Mobile Medics</td>
</tr>
<tr>
<td>APS retrieval service</td>
<td>ExamOne, GIS, EMI</td>
</tr>
</tbody>
</table>

**When blood profiles are required on cases within the non-medical limits, the paramedical facility should be advised to obtain the blood profile only and not to perform a full exam or obtain a medical history.**

The Underwriting Department reserves the right to order special studies, including EKGs, blood profiles and stress EKGs or other tests, whenever the medical history dictates.

**General Guidelines**

Traditionally in the underwriting process, the agent or agency is involved in the coordination of risk evaluation items such as Attending Physician Statements, Paramedical exams, and following up on outstanding underwriting requirements.

Berkeley’s TeleMed program streamlines the underwriting process by coordinating these labor intensive tasks and delegating the details to a unit that specializes in completing this work for you. For more information on the TeleMed program contact your agency’s Disability Income Specialist.