

LONG TERM DISABILITY INSURANCE OVERVIEW



Prepared for Employees of Brown & Brown, Inc. and its Subsidiaries

Protect Your Paycheck

If asked to name your most valuable assets, you might list your home, your furnishings or your automobiles. But what about *your paycheck*? After all, your income enables you to buy and enjoy all of your other assets.

Having adequate insurance is not only the basis for a sound financial blueprint; it helps ensure that your family, your home, and your finances will be protected. Brown & Brown, Inc. partners with Cigna to provide all full-time teammates with Core Long Term Disability (LTD) insurance that covers 50% of your earnings up to \$5,000 per month—at *absolutely no cost to you*.

This program offers a valuable safety net in the event you are unable to work due to a serious accident or illness. But should you need to use these benefits, keep in mind benefits payable are reduced by other sources of income (such as Social Security Disability benefits*), and any remaining amount is 100% taxable. Would you be able to maintain a normal lifestyle on less than 50% of your pay? What if you have additional medical expenses?

Enroll in the Buy-Up plan option to increase your coverage to 60% of earnings with a higher \$15,000 maximum.

Long Term Disability (LTD) Insurance

Eligibility	<ul style="list-style-type: none"> You must be an active, Full-time Employee to receive coverage under this plan. Full-time employment means you work at least 30 hours per week. 	
Eligibility Waiting Period	<ul style="list-style-type: none"> You are not eligible for coverage until the first of the month following 30 days of employment. If you are not actively at work, you will become eligible the day you return to work. You may enroll in the 60% Buy-Up plan any time during the Eligibility Waiting Period. If you choose to enroll later, you may only enroll during an Annual Enrollment Period. 	
Core Plan <i>no cost to you</i>	Benefit Amount *	50% of your monthly Covered Earnings <i>100% taxable benefit</i>
	Monthly Maximum	\$5,000 per month
Buy-Up Plan <i>post-tax payroll deduction applies</i>	Benefit Amount *	60% of your monthly Covered Earnings <i>tax-advantaged benefit</i>
	Monthly Maximum	\$15,000 per month
Elimination Period	<ul style="list-style-type: none"> You must be continuously Disabled for 90 days before benefits may be payable. 	
When Coverage Takes Effect	<ul style="list-style-type: none"> 50% Core coverage is effective on the date you satisfy the Eligibility Waiting Period, if you meet all other eligibility requirements. 60% Buy-Up coverage will be effective on the later of the plan effective date, the date you complete your enrollment, or the date you authorize payroll deductions. If you are not actively at work on the date your coverage would otherwise take effect, your coverage will become effective on the day you return to work. 	

*Benefits are reduced by other sources of income payable to you as listed under the "Effects of Other Income Benefits" (p.3)

This is a brief description of the important features of the plan. It is not a contract. Terms and conditions of coverage are set forth in Group Insurance Policy No. LK-980281 issued in the state of Florida. Please refer to your official Certificate of Insurance for more detailed information. Coverage is underwritten by Life Insurance Company of North America. The Cigna name, logo, and other Cigna marks are owned by Cigna Intellectual Property, Inc. © Cigna 2018

How is “Disability” Defined?

To receive benefits, you must be Disabled as a result of a covered Injury or Sickness, and you must be under the Appropriate Care of a licensed, practicing Physician who is qualified to treat your Disability.

For Exempt Employees:

Disabled means that solely as a result of a covered Injury or Sickness, you are unable to perform the material duties of your Regular Occupation, OR you are unable to earn 80% or more of your Indexed Earnings from your Regular Occupation. Cigna will require proof of earnings and continued Disability.

For Non-Exempt Employees:

Disabled means that solely as a result of a covered Injury or Sickness, you are unable to perform the material duties of your Regular Occupation, OR you are unable to earn 80% or more of your Indexed Earnings from your Regular Occupation. After 24 months, you are considered Disabled if you are unable to perform the material duties of any occupation you are qualified for by education, training, or experience; OR you are unable to earn 80% or more of your Indexed Earnings. Cigna will require proof of earnings and Disability.

Injury means an accidental loss or bodily harm which results directly and independently of all other causes from an accident. **Sickness** means any physical or mental illness or disease.

Appropriate Care means the determination of an accurate and medically supported diagnosis of your Disability, or ongoing medical treatment and care of your Disability by a Physician that conforms to generally accepted medical standards, including frequency of treatment and care.

Regular Occupation means the occupation you routinely perform at the time your Disability begins. In evaluating your Disability, Cigna will consider the duties of your occupation as it is normally performed in the general labor market in the national economy. Disability is not determined based on work tasks that you perform for a specific employer or at a specific location.

Physician means a licensed doctor practicing within the scope of his/her license, rendering care and treatment to an employee that is appropriate for the condition and locality. The doctor cannot be the employee, his/her spouse, immediate family of either the employee or spouse, or a person living in the employee's household.

Monthly Covered Earnings are the greater of 1/12th W-2 annual gross earnings for the calendar just prior to the date Disability begins, or 1/12th your Covered Earnings in effect on the date Disability begins. It does not include employer contributions to a deferred compensation plan, any car, housing or moving allowance, or income from a source other than your employment with Brown & Brown, Inc. or its Subsidiaries.

Indexed Earnings are the same as Covered Earnings for the first 12 months of benefit payments. After the 12th monthly payment, Indexed Earnings are your Covered Earnings increased by the lesser of 10% or the rate specified in the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPIW) for the prior calendar year, which is used to calculate the maximum benefit payable to you under this plan when combined with Other Income Benefits you may be eligible to receive. Indexed Earnings are not reduced if the CPIW drops.

Cost of 60% Buy-Up Plan

The premium is **\$0.190** per month for each \$100 of your gross monthly Covered Earnings, up to \$25,000.

How to calculate your estimated monthly premium:

To estimate the cost for the 60% Buy-Up plan, take your gross (pre-tax) monthly Covered Earnings (this amount cannot exceed \$25,000), divide by 100, and multiply that number by \$0.190

For example, if your monthly Covered Earnings equal \$8,000, your estimated cost is \$15.20 per month.

	Monthly Covered Earnings				Rate Per \$100		Estimated Monthly Cost
<i>Example:</i>	\$8,000	÷	100	x	\$0.190	=	\$15.20
Input monthly earnings to estimate your cost:		÷	100	x	\$0.190	=	

*Costs are subject to change. Monthly Covered Earnings are limited to \$25,000 if your annual income is higher than \$300,000

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Maximum Benefit Period

Once you qualify for benefits under this plan, you will continue to receive a monthly payment until the end of the Maximum Benefit Period, or until you no longer qualify for benefits, whichever occurs first. Your benefit period begins the day after you satisfy the 90-day Elimination Period. As long as you remain Disabled, your benefits will continue until the later of your Social Security Normal Retirement Age*, or for the number of monthly benefits in shown below based on your age at the time you become Disabled. The shortest period would be 12 months.

Max Benefit Period	Age at Disability							
	62 or Younger	63	64	65	66	67	68	69+
# of Monthly Payments	To age 65 or the date the 42 nd monthly benefit is payable, if later	36 th	30 th	24 th	21 st	18 th	15 th	12 th

*SSNRA is the Social Security Normal Retirement Age in effect on the Policy Effective Date.

Termination of Disability Benefits

Your benefits will terminate on the earliest of any of the following dates: the date Cigna determines you are no longer Disabled; the date the Maximum Benefit Period ends; the date you cease to get Appropriate Care; the date you die; the date you refuse to participate without Good Cause in all required phases of the Rehabilitation Plan; or the date you fail to cooperate with Cigna in the administration of your claim. Benefits may be resumed if you begin to cooperate within 30 days of the date benefits terminated.

Effects of Other Income Benefits

The Disability Benefit provided by this plan is a total benefit; meaning it will be reduced by any other disability benefits payable to you or your dependents, or a qualified third party on behalf of you or your dependents, whether or not you are actually receiving them. Disability Benefits will not be reduced by any Social Security Disability benefits you are not receiving as long as you fully cooperate in efforts to obtain them and agree to repay any overpayment when you do receive them. Other income sources that may reduce your benefits include:

- Any Social Security Disability or Retirement benefits you or any third party receive on your own behalf; or which your dependents receive (or are assumed to receive) because of your entitlement to such benefits.
- Benefits payable by a Canadian and/or Quebec provincial pension plan.
- Amounts payable under the Railroad Retirement Act.
- Amounts payable under local, state, provincial or federal government disability or retirement plan or law as it pertains to the employer.
- Employer-paid portion of company retirement plan benefits.
- Amounts payable by company sponsored sick leave or salary continuation plan.
- Amounts payable by any franchise or group insurance or similar plan.
- Benefits payable under work-loss provisions of any mandatory “no fault” auto insurance.
- Any amounts paid on account of loss of earnings or earning capacity through settlement, judgment, arbitration or otherwise, where a third party may be liable, regardless of whether liability is determined.
- Amounts payable under any workers’ compensation (including temporary or permanent disability benefits), occupational disease, and unemployment compensation. This includes damages, compromises or settlements paid in place of such benefits, whether or not liability is admitted.

Income sources that **WILL NOT** reduce your benefits under this plan are:

- Benefits paid by personal, individual disability income policies.
- Individual deferred compensation agreements.
- Employee savings plans, including thrift plans, stock options or stock bonuses.
- Individual retirement funds, such as IRA or 401(k) plans.
- Profit-sharing, investment or other retirement or savings plans maintained in addition to an employer-sponsored pension plan.

Minimum Disability Benefit

Your benefits from this plan will never be less than either \$100 per month or 10% of your monthly benefit amount, whichever is greater. However, if there is an overpayment due, the Minimum Benefit may be reduced or not apply in order to recover the overpayment.

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Additional Plan Features

Catastrophic Disability means you are unable to perform, without Substantial Assistance, at least two Activities of Daily Living, or have severe Cognitive Impairment that requires Substantial Supervision to protect you or others from threats to health and safety. This plan will pay an additional benefit if you have a Catastrophic Disability for more than 90 days, caused by the same Sickness or Injury for which Disability Benefits are payable. Benefits are an additional 10% of your monthly Covered Earnings, to a maximum of \$5,000 per month. This benefit will not be reduced by any Other Income Benefits. For periods of less than one month, the benefit is prorated using 1/30th of the monthly benefit for each day.

Family Survivor Benefit

If you die after collecting Disability Benefits for 6 or more consecutive months, the plan will pay a single lump sum equal to 3 months of total Disability Benefits directly to your lawful spouse, or to your unmarried children under age 26, if there is no lawful spouse. If you have no lawful spouse or children, the benefit is paid to your estate.

Recurrent Disability Feature

If you return to work in your Regular Occupation after receiving benefits under this plan, then again become Disabled from the same or a related cause, you will not have to satisfy another Elimination Period as long as you have worked less than 6 consecutive months and earned less than the percentage of your Indexed Earnings used when determining your Disability during at least one month. If the Disability recurs after you work 6 months, or results from a cause unrelated to the first, you must file a new claim and satisfy another Elimination Period.

Return-to-Work Incentive Benefit

You may continue to receive benefits if you return to work but continue to meet the definition of Disabled. During the first 24 months, benefits will be reduced if your benefits plus income from employment exceed 100% of pre-disability Covered Earnings. After that, benefits will be reduced by 50% of earnings from employment.

Limitations for Mental Illness, Nervous Disorders, Alcoholism, and Drug Abuse

This plan applies a 24-month lifetime limit to benefits for outpatient treatment for disabilities caused by or contributed to by: anxiety-disorders, delusional (paranoid) or depressive disorders, eating disorders, mental illness, somatoform disorders (including psychosomatic illnesses), alcoholism, or drug addiction or abuse. The plan also pays benefits during periods of hospitalization for these conditions, and if you are hospitalized for more than 14 consecutive days and it occurs before the 24-month lifetime outpatient limit is exhausted, the time you were hospitalized will not count towards the lifetime limit.

Pre-existing Condition Limitation

Pre-existing conditions are conditions for which you have incurred expenses, taken prescription drugs, received medical treatment, or care or services for (including diagnostic measures) during the **3 months** immediately prior to the most recent effective date of insurance.

This plan does not cover disabilities resulting from a pre-existing condition unless the Disability occurs after you have been insured under this plan for **12 consecutive months**. This rule applies to initial coverage for new hires as well as increases in coverage elected during an Annual Enrollment Period.

If you were insured under a prior plan as an employee of an entity that was acquired by Brown & Brown, Inc. immediately prior to your effective date under this plan, the Pre-existing Condition Limitation will only apply to coverage amounts in excess of the benefit amount you had under the prior plan, if any. If you did not fully satisfy the Pre-existing Condition Limitation under the prior plan, credit will be given for any time that was satisfied.

Exclusions

This plan does not pay benefits for a Disability which results, directly or indirectly, from: suicide, attempted suicide, or whenever you injure yourself on purpose; war or any act of war, whether or not declared; active participation in a riot; commission of a felony, or any period of Disability during which you are incarcerated in a penal or corrections institution for any reason.

Plan Termination

Coverage terminates if the group policy is terminated, if you: cease to be in Active Service, if you are no longer a member of an eligible class, the day after the last date for which premium has been paid, or the date you become eligible for a plan of benefits intended to replace this coverage. If you are Disabled and receiving benefits under this plan, your benefits and coverage will continue until the expiration of your Maximum Benefit Period, or until you no longer qualify for benefits under the plan, whichever comes first.

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