



A Supplemental Income Protection
Program guide for employers



Benefit strategies that deliver

**How custom solutions
can attract top talent**



Custom benefit strategies

Your benefits package: It can be a critical component in the success of your business

Why? Because it helps you attract and retain the high-income, high-value employees who make your business so successful. But you may want to ask yourself one important question: **Is your benefits package as comprehensive as it should be?** The answer may surprise you.

Supplemental Income Protection from Berkshire Life Insurance Company of America, a Guardian company, is a custom insurance benefit solution that can offer both a powerful motivator for employees and a competitive advantage for your company.



Your employees often look to their benefits package for protection

It's not just about protecting their life and health. They're also looking to help protect their income. These days, key employees and top prospects are savvy about the income gap that group disability coverage can leave. That's why, when considering their employment prospects, they look for benefit enhancements that matter, such as those that recognize their need for additional income protection.

You already have access to the customized benefit solutions you need

Supplemental Income Protection from Berkshire Life Insurance Company of America, a Guardian company, is an income protection program that's tailored to the individual coverage needs of your key employees. It's a custom benefit solution that offers both a powerful motivator for employees and a competitive advantage for your company.

We specialize in offering today's employers custom benefit strategies, based on your unique needs. We can help you design a benefits package that can differentiate you as an employer of choice — with customized offerings by employee segment. When you work with us and your employee benefits professional, your benefits package can be designed with flexibility to offer a breadth of options, from specialized executive benefits to supplemental benefits for a broader population.





Why Supplemental Income Protection can be so important

You may think your benefits package is complete, but chances are, it's not. Because nowadays, Group Long Term Disability (LTD) income coverage may not be enough. Don't be mistaken: Group LTD coverage can be a great foundation for most of your employees. However, as compensation increases for your key executives, managers, and top performers, **coverage gaps can occur** for several reasons:

- Benefit caps may leave higher-earning employees with a lower income replacement ratio
- Group coverage typically replaces 60% of before-tax salary
- Taxes on employer-paid coverage can reduce after-tax benefits significantly
- Incentive, bonus compensation and retirement contributions may not be covered by group insurance

Supplemental Income Protection can help bridge the gap and provide your employees with income replacement above and beyond their Group coverage.

The need for protection is real

A disabling injury or illness can be financially devastating — impacting your employees' ability to pay their mortgage and support their families:

- Only 48 percent of American adults indicate they have enough savings to cover three months of living expenses in the event they're not earning any income.¹
- The average group long-term disability claim lasts 34.6 months.²
- Accidents are not usually the culprit; almost 90% of long-term disabilities are caused by illnesses³, such as:
 - Muscle, back and joint disorders
 - Spinal and nervous system disorders, such as multiple sclerosis
 - Cardiovascular and circulatory diseases, such as heart attacks
 - Autoimmune disorders, such as lupus and rheumatoid arthritis

Why Supplemental Income Protection is a win/win

Both your company and your employees are winners when you add Supplemental Income Protection to your benefits package.

Advantages for your employees

- Coverage is individually owned and portable
- Coverage for more types of income (bonus, incentive compensation, retirement contributions)
- Permanent premium discounts
- Easy application process, no medical exams — just three easy “yes/no” questions to answer
- Our exclusive portability feature provides policyholders who change employers with a one-time opportunity to increase their benefit (with no medical underwriting)
- An annual renewal process enables coverage to grow with the employee's income

Advantages for your company

- Helps you attract, retain and reward employees
- If you provide employer-paid coverage for select employees, premiums are tax deductible as a business expense
- Guardian's turnkey process and customized communications make implementation easy
- Seamless end-to-end case administration
- Flexible funding and billing options

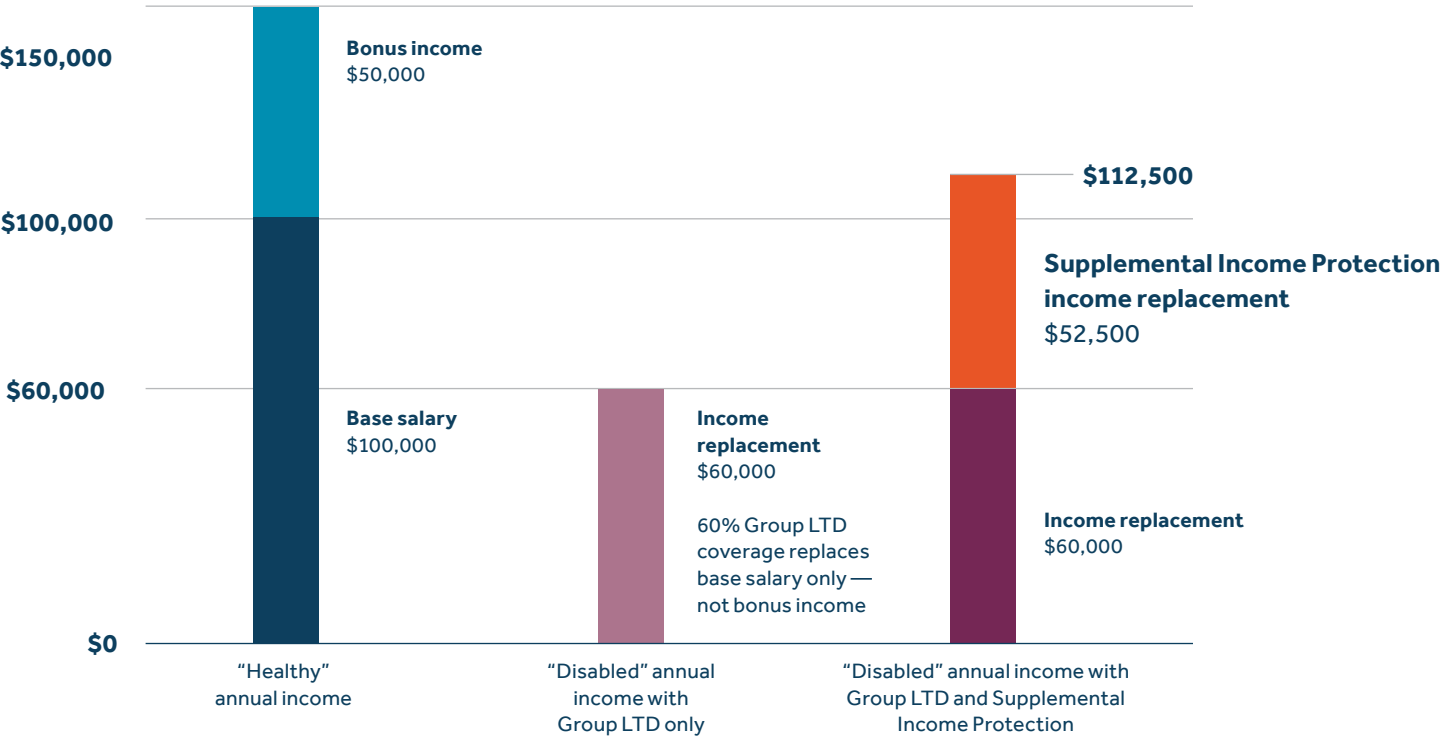


Help your top performers bridge the gap

Our Supplemental Income Protection works in conjunction with Group LTD to help protect more of your employees' income from the impact of a disability.

Supplemental Income Protection

- Is an important benefit for highly compensated employees who may not
- have income replacement coverage for their incentive compensation or retirement contributions through your group plan⁴
- Helps fill the gap by covering up to 75% of total gross insurable income.



This is a hypothetical coverage illustration and is not representative of an actual insurance policy. This hypothetical illustration is intended to show, in general terms, the typical income replacement for this benefit. The values are not a guarantee and may change at the discretion of the issuing insurance company.

Enrollment strategies that deliver

We are dedicated to providing first-class implementation and enrollment support that always puts you and your employees first. And we demonstrate this commitment through a seamless implementation and enrollment process that is structured to meet your specific objectives. We focus on the details so you can remain focused on your business.



Benefits delivery made easy

We make it easy for you by leveraging technology

We make offering such an important benefit both easy and convenient for employers — and employees. From enrollment to application to policy delivery and billing, our eSuite platforms enable you to deliver a seamless, end-to-end individual benefit to your employees online.

Our industry-leading straight-through processing (STP) approach is electronic automation at its best — giving you a technologically advanced end-to-end solution. It’s a faster, more efficient, and customizable way for you to deliver benefits.

Easy, highly secure plan administration you can rely on.

Easier end-to-end administration

| Electronic census | Enrollment and implementation | Billing and administration | Employee ownership |
|--|--|---|--|
| <ul style="list-style-type: none">Starting each case with an electronic census allows us to:<ul style="list-style-type: none">Pre-populate enrollment communicationsCreate custom microsites for each eligible employeePre-populate application dataIssue policies electronically | <ul style="list-style-type: none">Personalized enrollment microsites that are built upon an educational platform are created for each eligible employeeOur streamlined application and policy issue process uses true e-signature technologyPolicies can be delivered within minutes, electronically | <ul style="list-style-type: none">Self-service via Guardian Anytime secure online billing portal provides administrators with an easy way to view or pay bills as well as remove terminated employees from the billAutomatic reconciliation via Automatic Payroll Deduction processing is also available | <ul style="list-style-type: none">Fast, electronic policy delivery direct to employeePolicy owner has secure access to an online portal to manage policy information such as name and address |

The benefits of “paperless” plan administration are clear

- Faster enrollment and policy issue
- More accurate processing, with no manual intervention
- Cost savings (no policies to mail)
- Ease of program administration

How our straight-through processing benefits you and your employees

Our eSuite capabilities drive a streamlined participant experience — from enrollment to application to immediate policy delivery.

Through our personalized enrollment portal, your employees can:

- Learn more about their supplemental disability coverage
- Understand and calculate their income gap
- Select their policy option
- Complete their application — all in just a few guided steps
- Use eSign to provide their digital signature

Discover our service difference

We are dedicated to providing services that will make a difference to your business. We provide white-glove service you can rely on: from underwriting to policy issue, to enrollment and servicing.

We hold ourselves to high-quality service standards

Our services have been recognized year after year by DALBAR (2015-2019), a renowned mark of superior standards in the financial community; a signal to you that we're focused and working hard to assure a productive experience for your employees — providing them the information they need faster and in a helpful manner.

In addition, our elite claims organization supports customers further by having representatives with deeper experience at the right touchpoints. For example, our:

- Customer service desk triages incoming service inquiries to ensure there is more than just an assigned claims representative available to assist.
- Claims teams are staffed to provide more in-depth support to understanding the claim, whether it involves medical, financial, occupational or other complexities.
- Specialized claims consultants with secondary education, such as JDs, CPAs, and MBAs, provide a high-end customer service experience for your employees.

Our individual disability insurance claims organization is quite different from today's high-volume Group claims facilities. Our service organization operates with a clear focus on customer care, and because we specialize in executive benefits, our claims professionals understand the unique needs of today's high-income, high-value employees.

We help your employees when they are out of work — and ready to get back again

Our programs are designed to help employees when they are disabled to make the most of their benefits. Then, we help them return to work on a limited basis by providing benefits that help to fill the income gap. Finally, we help them return to work full time, with additional benefits designed to help ease their financial concerns — so employees can focus on being productive.

The benefits are real — for you and your employees

A total solution — a custom benefit strategy for your business. A personalized online enrollment experience for your employees. A straight-through processing approach... that makes it easy for you.

To discover how our Supplemental Income Protection Program can help you take care of your key employees and add great value to your benefits portfolio, with an ease of doing business that stands apart, contact your insurance representative today.



You can depend on us

The Guardian Life Insurance Company of America (Guardian) is one of the largest mutual life insurance companies in the United States, providing high-quality, affordable insurance and financial products. Guardian owns several independent subsidiaries, including **Berkshire Life Insurance Company of America (Berkshire Life)** — a highly recognized provider of non-cancellable individual disability income insurance.

¹ Federal Reserve, Report on the Economic Well-Being of U.S. Households in 2016, page 26.

² Gen Re, U.S. Group Disability Rate & Risk Management Survey 2012, based on claims closed in 2011.

³ Integrated Benefits Institute, 2018 Health and Productivity Benchmarking, Long-Term Disability.

⁴ Retirement Protection Plus is an insurance program specifically designed to help protect retirement plan contributions, and may be offered as a standalone policy, or as an add-on rider. Retirement Protection Plus is not a pension plan, qualified retirement plan or qualified individual retirement account or a substitute for one.

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Individual disability insurance Policy Form 18GI underwritten and issued by Berkshire Life Insurance Company of America, (BLICOA) Pittsfield, MA, a wholly owned stock subsidiary of The Guardian Life Insurance Company of America (Guardian), New York, NY. For Policy 18GI, the expected benefit ratio is 60% (NY). Product provisions and availability may vary by state. In New York: This policy provides disability insurance only.

It does not provide basic hospital, basic medical or major medical insurance as defined by the New York State Insurance Department. The expected benefit ratio is 60%. This ratio is the portion of future premiums that the company expects to return as benefits, when averaged over all people with this policy form.

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