

Provider *Plus* The Intelligent Choice for Disability Income Insurance

No one knows when - or how - disability will strike. That unpredictability is why the best disability income insurance policy is the one that generates the most benefits in the greatest number of disability scenarios. How do you know which DI policy is the best for you? Obviously, it's the one that provides the most comprehensive protection and has been tailored to meet your specific needs.

There are a number of criteria - independent of any specific company - that may be used to evaluate a disability policy.

These are five sound ways to judge:

1. **Renewability Provisions:** These are the terms under which you can maintain your coverage.
2. **Definition of Total Disability:** In the best policies, "total disability" will mean that because of sickness or injury you are unable to work at your regular occupation.
3. **Residual Disability Benefits:** This provision will define the benefits you may receive if you are able to work but your earnings are reduced as a result of disability.
4. **Other Policy Benefits:** The best policies contain additional provisions designed to protect your interests.
5. **Optional Benefits:** You may choose among these benefits to enhance your coverage and allow you to tailor it to your specific situation.



DI policies can vary significantly in all these areas. Let's examine each of them more closely and analyze the reasons why ProVider Plus* is the intelligent choice for disability income insurance.

*Form 0100, 1100 or 2100. Underwritten and issued by Berkshire Life Insurance Company of America, Pittsfield, MA, a wholly owned subsidiary of The Guardian Life Insurance Company of America, New York, NY. Products not available in all states. Product provisions and features may vary from state to state.

The information in this publication applies to occupation classes 6, 5, 4, 4P and 3 only.

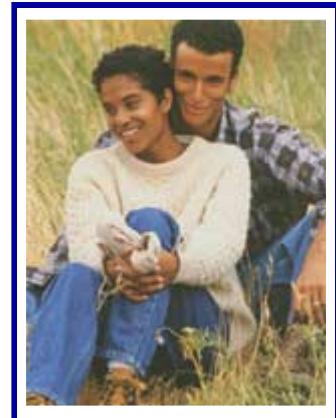
Renewability Provision

The renewability provision is one of the key features of any individual disability income policy. The reason? This provision defines your rights when it comes to keeping your disability income protection in force.

In general, a disability contract may be guaranteed renewable only or both non-cancelable and guaranteed renewable.

If a policy is guaranteed renewable only, the insurance company agrees to keep renewing the contract for as long as premiums continue to be paid on a timely basis. While the insurer cannot change the provisions of the policy, it can increase premiums by state, occupation class, policy form or other categories with prior notification.

When the term "non-cancelable" is added to guaranteed renewable, the insurance company cannot change any policy provisions and it cannot increase the premiums. As long as premiums are paid on a timely basis-and assuming that all underwriting information is truthful and accurate-the insurer cannot cancel the contract. A non-cancelable, guaranteed renewable policy obviously provides the greatest degree of protection and therefore is the best for you to own. ProVider Plus is both non-cancelable and guaranteed renewable.*



*ProVider Plus is non-cancelable and guaranteed renewable to age 65, after which it is conditionally renewable for life. That means that after you are 65, your premiums can change on an annual basis. You must also be at work full time.

Definition of Total Disability

Under our ProVider Plus policy, total disability means that because of sickness or injury you are not able to perform the material and substantial duties of your occupation. This definition applies for the entire benefit period if you are in occupation class 6, 5, 4 or 4P.

Your occupation means the regular occupation (or occupations, if you have more than one) in which you are engaged at the time you become disabled. The policy also says "You will be totally disabled, even if you are at work in some other capacity, so long as you are not able to work in your occupation."

Provider Plus offers pure own-occupation benefits for the entire benefit period (for occupation classes 6 through 4P) and is one of the few policies that does so. For occupation class 3, pure own-occupation benefits are payable for five years. After that - in the same claim - you are considered totally disabled if you are unable to perform the material and substantial duties of your own occupation and are not at work in any occupation.

Medical and dental specialists will also appreciate our "specialty language," which takes the own-occupation concept a step further in protecting professional specialties: If your occupation is limited to a single medical specialty certified by the American Board of Medical Specialties or a single dental specialty recognized by the American Dental Association, we will consider that specialty to be your occupation. Few companies today provide such explicit own-occupation protection.



Residual Disability Benefits*

Disability isn't always "total." You may suffer a partial (or residual) disability that limits your ability to work and results in decreased income - or an initial total disability may be followed by an extended period of residual disability. Provider Plus has a number of unique features that maximize your benefits under a variety of such scenarios. Like most good policies, if you are residually disabled Provider Plus pays:

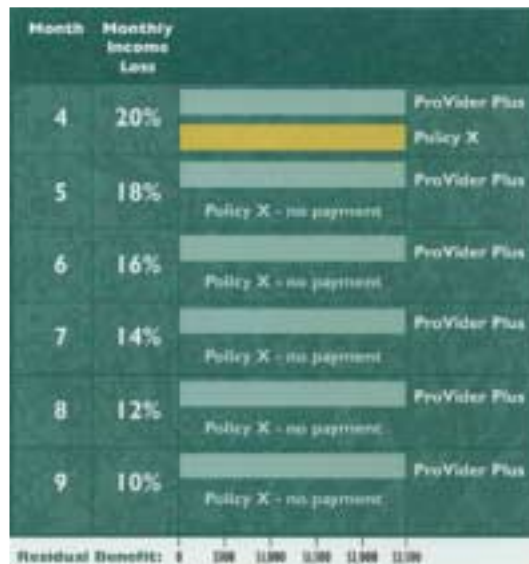
- benefits proportionate to income loss, and
- for the first six months' benefits, at least 50% of the total disability benefit.

However, most companies discontinue residual benefits when your income loss falls below 20%. We *continue* to pay residual benefits even if your income loss is less than 20% as long as the monthly benefit payable is at least \$500.

Scenario:

- **\$5,000 monthly benefit**
- **3-month elimination period**
- **Residually disabled for 9 months**
- **20% loss of earnings - \$500 rule**
- **50% of full benefit guaranteed for first six months benefits are paid**

We pay \$12,500 more than other companies. As the chart below demonstrates, when your income loss drops below 20% most other companies will stop residual payments, whereas we will continue to pay because of the \$500 rule. In addition, we will continue to pay \$2,500 a month because of the 50% benefit guarantee for the first six months. After the first six months of residual benefits, most policies pay benefits strictly proportionate to the income loss for the particular month in which you claim a residual benefit. We, however, pay based on the *average income loss* for the *preceding six months****. This approach can provide substantially greater benefits to you when you have returned to work and are rebuilding your earnings.



Scenario:

- **\$5,000 monthly benefit**
- **3-month elimination period**
- **Residually disabled for 12 months**

As shown here, if during the seventh month actual income loss was 40%, the benefit would be based on an average income loss of 70%. As a result, we would pay \$1,500 more than our competitors.

In this example there could be an actual income loss of 15% but a six-month average loss of 70%. In that case we would pay \$3,500 in that month. Over 12 months, it could mean an extra \$13,500. In the 13th through the 18th month, averaging would continue in the same way, as long as your residual disability continued.

Claim** Month	Loss of Income	ProVider Plus	Policy X	Cumulative Difference	
1	100%	\$5,000	\$5,000	0	
2	100%	5,000	5,000	0	
3	70%	3,500	3,500	0	
4	60%	3,000	3,000	0	
5	50%	2,500	2,500	0	
6	40%	2,500	2,500	0	
		Previous 6-Month Avg. Loss			
7	40%	70%	\$3,500	\$2,000	\$1,500
8	35%	70%	3,500	1,750	3,250
9	30%	70%	3,500	1,500	5,250
10	25%	70%	3,500	1,250	7,500
11	20%	70%	3,500	1,000	10,000
12	15%	70%	3,500	0	13,500

*The Residual Disability Rider is an optional rider available to occupation classes 6, 5, 4, 4P, and 3.

** After the elimination period or total disability, whichever is longer.

*** Or another negotiated method to which we may agree.

Other Policy Benefits

Interrupted Elimination Period

All disability income policies have an elimination period - that is, the period of time that must elapse before monthly benefits begin.

We will allow different periods of disability, from the same or a different cause, to count towards the elimination period (EP), which must be satisfied within the accumulation period specified on the policy schedule page. The days on which you are disabled need not be consecutive, and if your policy has a three-month elimination period, for instance, the accumulation period (during which you need to accumulate those three months of disability) would be seven months.

As this chart shows, even though the second disability isn't related to the first, we do not apply a new elimination period for the second disability. Many other companies require the second disability to be due to the same or related causes. If it isn't, they apply a new elimination period.

Scenario:

- **\$5,000 monthly benefit**
- **3-month elimination period (EP)**
- **A heart attack disables you for two months**
- **Four months after you recover, you are disabled by an automobile accident**

In this scenario, the Provider Plus policy will pay out \$10,000 more in benefits - and sooner - than many other companies.

Month	Status	ProVider Plus	Other Policies
1st-2nd	Disabled	Elimination Period	Elimination Period
3rd-6th	Recovery	Not Disabled	Not Disabled
7th	Disabled	Satisfy EP	New EP Begins
8th	Disabled	\$5,000	Elimination Period
9th		\$5,000	Satisfy EP
10th		\$5,000	\$5,000

Other Policy Benefits

Waiver of Premium

During disability:

- Premium is waived after three months or the elimination period, if that's shorter;
- Premium is refunded if it was due and paid during the elimination period
- Premium may be waived for 12 months if you are disabled on a policy anniversary; and
- Premium is waived for three months after recovery.

The Provider Plus Waiver of Premium benefit is important because it waives premiums that fall due during a disability and refunds premiums that were due and paid during the elimination period. If you select the Residual Disability Rider, you may be either totally or residually disabled to qualify for Waiver of Premium. To become eligible you must be disabled for three months or the elimination period, if that's shorter.

Your premium will continue to be waived for three months after you recover. If you are disabled and eligible for premium waiver on a policy anniversary, we will waive an annual premium even if you paid your premiums more frequently. The waiver continues until the next policy anniversary, even if you recover sooner.

The waiver of premium benefit will also apply if monthly benefits are payable because you have met the requirements of any of the provisions called Waiver of Elimination Period, Recurrent Periods of Disability or Presumptive Total Disability Benefit.

Our Waiver of Premium means extra cash to help pay expenses during a disability.

Other Policy Benefits

Waiver of Elimination Premium

Under a unique feature of the Provider Plus policy, there is no new elimination period for subsequent disabilities from any cause, if your original disability lasted at least six months and you received any benefits from us. (The second period of disability must occur within five years of the first.)

This means that benefits would be paid from the first day of the second period of disability, even if the subsequent disability were for a minimal period of time or was caused by an accident or illness not related to the first period of disability. What does this mean in real dollars?

Scenario:

- **\$5,000 monthly benefit**
- **3-month elimination period**
- **You are totally disabled for six months and then recover**
- **Within five years you are again disabled - from any cause**

Month	Status	ProVider Plus	Other Policies
1st-3rd	Disabled	0	0
4th-6th	Disabled	\$15,000	\$15,000
7th-35th	Recovery	0	0
36th-38th	Disabled	\$15,000	0

Because of this policy provision, we could pay up to \$15,000 more than most other companies since we would pay from the first day of the second period of disability. Most other companies would require another elimination period before starting payment again at the 39th month. The result? We pay more money and pay sooner on a second disability.

Other Policy Benefits

Presumptive Total Disability Benefit

ProVider Plus includes a benefit designed to give you extra protection in the case of certain catastrophic disabilities: the Presumptive Total Disability Benefit.

Because of this benefit, we will consider you totally disabled if sickness or injury results in the total and complete loss of: the sight of both eyes; the hearing of both ears; the power of speech; the use of two arms, two legs, or one arm and one leg, in their entirety. We will also waive any unexpired part of the elimination period from the date of such a loss.

Suppose you suffered compound fractures of both legs in an auto accident. Since you have experienced the total and complete loss of their use, we will waive the elimination period and you would receive benefits from the date of that loss. Most other companies would not consider this a presumptive disability and therefore would not pay until after the elimination period if you were still disabled and you met the definition of disability. Even if you continued to work full time with compound fractures of both legs, we would presume you to be disabled and would pay your monthly benefit until your recovery.

The bottom line is that on a policy with a \$5,000 monthly benefit and a 3-month elimination period, we could pay you up to \$15,000 more in benefits.

Capital Sum Benefit

The Provider Plus policy also includes a lump sum benefit for other specific losses: the Capital Sum Benefit.

This benefit is paid in addition to any other benefits payable if, because of a sickness or injury, you lose the entire sight of one eye with no possibility of recovery; or suffer the complete loss of a hand or foot severed through or above the wrist or ankle; and you survive it for 30 days. The Capital Sum equals 12 times your monthly benefit, so on a policy with a \$5,000 monthly benefit, we would pay \$60,000 for such a loss. No more than two such losses are payable during your lifetime.

Optional Policy Benefits

Graded Lifetime Extension Benefit Period*

Provider Plus is one of the very few policies today to offer a "lifetime" benefit period. Our Graded Lifetime Extension Benefit Period (X45) is designed specifically to assist you in completing your retirement planning in the event you become disabled. Consider this: Your retirement savings will be accumulated during your working years-yet a total disability could force you to stop making contributions. This can be particularly devastating if you are disabled when you are young. On the other hand, the older you are when you become totally disabled, the more time your retirement savings will have had to grow. After age 65, the larger fund would reduce the amount of benefit needed from a disability income insurance policy.

Consider a policy that pays a \$5,000 monthly benefit, with a graded lifetime (X45) extended benefit period. If you are totally disabled at or before age 45 and remain disabled to age 65, we will pay you \$5,000 a month (100% of the total disability benefit) for the rest of your life, as long as you remain totally disabled.

If you are totally disabled at age 50 and remain so until age 65, under the same policy you would receive \$5,000 a month till you reach age 65. After that, as long as you remain totally disabled, the lifetime benefit would be 75% of the monthly benefit for total disability, or \$3,750 a month for life. This is because the amount of monthly benefit payable after age 65 is determined by your age at the time total disability began-it reduces 5% for each year beyond age 45 that your disability begins.

Scenario:

- **\$5,000 monthly benefit**
- **Graded Lifetime Extension Benefit Period (X45) included**

Age When Disabled	Assumed Retirement Income	DI Policy Benefit	\$0	\$1,000	\$2,000	\$3,000	\$4,000	\$5,000
18-45	\$0	\$5,000	\$5,000					
50	\$1,250	\$3,750	\$3,750					
55	\$2,500	\$2,500	\$2,500					
60	\$3,750	\$1,250	\$1,250					
65	\$5,000	\$0	\$0					

Obviously your assumed retirement income may be more (or less) than shown. The disability benefit is fixed by the policy. However, if a Cost of Living Adjustment Rider increases the disability benefit prior to age 65, your lifetime benefit will be larger than illustrated above.

Make the intelligent choice by choosing a lifetime disability benefit period that complements your retirement planning.

* The Graded Lifetime Extension Benefit Period is available to occupation classes 6, 5, 4, 4P and 3.

Optional Policy Benefits

Cost of Living Adjustment Rider*

During an extended disability traditional fixed dollar benefits can't help you keep pace with inflation. This is why a Cost of Living Adjustment (COLA) Rider is an important benefit. Under the Provider Plus COLA rider, annual adjustments to the monthly benefit begin after 12 months of disability and continue to age 65. The increases are tied to the Consumer Price Index (CPI-U) up to a maximum compounded annual rate of 3% or 6%, whichever you choose.

Let's look at how dramatically the COLA rider can increase your monthly benefits over time.

Scenario:

- \$5,000 monthly benefit
- 3-month elimination period
- Totally disabled from age 45 to age 65
- To-age-65 benefit period including COLA rider
- 6% maximum annual rate

Year	ProVider Plus 6% Compound		Policy X 3% Compound	
	Monthly Benefit**	Cumulative Benefit**	Monthly Benefit**	Cumulative Benefit**
1	\$5,000	\$45,000	\$5,000	\$45,000
2	\$5,300	\$108,600	\$5,150	\$106,800
3	\$5,618	\$176,016	\$5,305	\$170,454
4	\$5,955	\$247,477	\$5,464	\$236,018
5	\$6,312	\$323,226	\$5,628	\$303,548
6	\$6,691	\$403,519	\$5,796	\$373,105
7	\$7,093	\$488,630	\$5,970	\$444,748
8	\$7,518	\$578,848	\$6,149	\$518,540
9	\$7,969	\$674,479	\$6,334	\$594,546
10	\$8,447	\$775,848	\$6,524	\$672,833
15	\$11,305	\$1,381,558	\$7,563	\$1,100,935
20	\$15,128	\$2,192,135	\$8,768	\$1,597,222

** Increases stop after age 65.

Most other DI companies also offer COLA riders. But some, like the company whose policy is shown below, offer only fixed interest adjustments. You can easily see how much more Provider Plus would pay if inflation were higher than the 3% shown for Policy X: \$103,015 more in cumulative benefit after 10 years, and a whopping \$549,913 after 20! Others offer only simple rather than compounded rates, and some actually impose a cap on increases prior to age 65. We, of course, compound annually and our rider adjusts benefits at the end of each 12 months of disability with no limit before age 65.

*This rider is not necessarily protection against increases in the cost of living. It is available to occupation classes 6, 5, 4, 4P and 3.

Optional Policy Benefits

COLA Increases Remain Upon Recovery

What happens to COLA increases when you recover? With Provider Plus, any increases to the monthly benefit due to indexing remain as part of the policy's base benefit - at no additional premium until you reach age 65.* Other companies typically revert to the original benefit or allow you to buy up to the indexed benefit by paying additional premiums.

So in the above scenario, if you recover in the 10th year of disability, we would increase your monthly benefit for future losses before age 65 to \$8,447 at no increase in premium. Most other companies either do not allow the increased monthly indemnity to remain on the policy or they only allow the purchase of the increased coverage at attained age rates.

ProVider Plus		X Policy	Y Policy	
Benefit	Cost	Benefit	Benefit	Cost
\$5,000	Original Premium	\$5,000	\$5,000	Original Premium
+		+	+	
\$3,447	No cost before Age 65	0	\$3,447	Extra Premium

* After that you can retain the increases by paying then-current renewal rates.

Optional Policy Benefits

Future Increase Option Rider*

If you expect to have significant income growth you may need a Future Increase Option (FIO) Rider. It offers you the opportunity each year until you reach age 55 to purchase additional coverage without providing evidence of medical insurability.

The amount of the Future Increase Option added to the base policy can be up to twice the base benefit plus all other in-force coverage with Berkshire and Guardian. ** Until you reach age 45 you can exercise the entire FIO amount on your option date if your income justifies it. Once you become 45, up to one-third of the FIO amount is available in any one year. Few other companies offer you such flexibility.

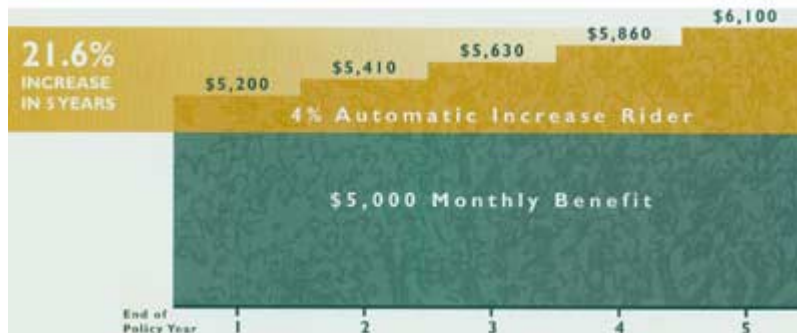
*The Future Increase Option Rider is available to occupation classes 6, 5, 4, 4P and 3.

** Including Guardian Group LTD

Optional Policy Benefits

Automatic Increase Rider*

Many individuals expect to receive regular increases in income over the years. The Automatic Increase Rider (AIR) is a convenient way to keep your coverage in line with your needs before you are disabled. It provides a 4% automatic increase in your monthly benefits each year for five years at attained age premiums. No applications, exams or blood tests are required. Increases are offered despite any changes in your health or occupation, and you may refuse an increase without forfeiting any scheduled remaining increases. Before you reach age 60 you may apply to extend the AIR for additional five-year periods.



Because compound interest is used to calculate increases, your total monthly benefits will have increased by 21.6% at the end of five years! AIR represents a convenient, flexible way for you to insure your increasing income - and insure against changes in your health or occupation - before you become disabled.

*The automatic increase rider is available to occupation classes 6, 5, 4, 4P and 3.

Optional Policy Benefits

Social Insurance Substitute Rider (Offset)*

Since benefits from various types of social insurance may or may not be payable for a given disability, a Social Insurance Substitute Rider (SIS) helps fill in the voids. Let's see how this works in combination with a base benefit of \$2,000. We can issue up to \$1,500 a month in SIS benefit. When you are disabled, you will receive the SIS benefit less any monthly benefits paid by social insurance. With a \$1,500 per month SIS benefit for example, if you receive \$800 a month in benefits from social insurance, your SIS benefit would be \$700. You would receive a total of \$1,500. This is known as a "dollar for dollar" offset.

BASE POLICY <i>ProVider Plus</i> \$2,000	
SIS RIDER OFFSET	
SIS Benefit \$1,500	Rider Pays \$800
	Government Pays \$700
MONTHLY TOTAL INTEGRATED BENEFIT \$3,500	

The company that issues Policy X, however, takes a different approach: It offers a rider that pays literally all or nothing. In other words, if you receive \$800 from social insurance, Policy X will pay you no benefits at all, leaving you with a total integrated monthly benefit of \$2,800. With Provider Plus, you would, as shown above, have a combined benefit of \$3,500 a month.

BASE POLICY <i>Policy X</i> \$2,000	
SIS RIDER OFFSET	
SIS Benefit \$1,500	Rider Pays \$0
	Government Pays \$800
MONTHLY TOTAL INTEGRATED BENEFIT \$2,800	

The company that offers Policy Y handles things in yet another way. While it will pay 100% of its SIS benefit if you don't receive any benefits from any government program, if you receive a benefit from any one government agency it will pay you only one-third of the SIS benefit. So, as the example demonstrates, if you received \$800 from one social insurance program, Policy Y would pay only \$500 of your potential \$1,500 benefit. That would add up to an integrated benefit of \$3,300 a month compared with the \$3,500 you'd have with Provider Plus. And if you receive benefits from two or more social insurance programs, Policy Y pays no benefit at all!

BASE POLICY <i>Policy Y</i> \$2,000	
SIS RIDER OFFSET	
SIS Benefit \$1,500	Rider Pays \$500
	Government Pays \$800
MONTHLY TOTAL INTEGRATED BENEFIT \$3,300	

* In New York and New Jersey only: For occupation classes 6, 5, 4, 4P and 3, the SIS benefit is paid if you are not receiving any benefits from Social Security. This rider is not available in California.

Optional Policy Benefits

Group Disability Insurance Replacement Rider

The Group Disability Insurance Replacement Rider allows you to increase the monthly coverage of your Provider Plus policy if your group long-term disability (LTD) plan terminates. Your group LTD may be terminated for one of two reasons: Your employment terminates, or your employer ends the group LTD plan and doesn't replace it.

We require no evidence of good health in order for you to exercise our Group Replacement Option, but you can only use it once over the life of the policy. The rider itself is renewable to age 60 or until the date you exercise it. In order to exercise the replacement option, you must provide details of your income, employment and other insurance in force or for which you are eligible.

Unemployment Premium Waiver Option Rider*

We also offer an Unemployment Premium Waiver Option Rider. Under this rider, we will waive your Provider Plus premiums if you become unemployed. To qualify for benefits under this rider you must receive unemployment compensation for at least 60 consecutive days. Your premiums will be waived for 12 months even if you return to work. You can only exercise this option once over the life of the policy; the rider itself is renewable to age 60 or until the date you exercise it.

* Not available in all states.

Provider Plus

The Intelligent Choice for Disability Income Insurance

It's true that you can never know when - or how - a disability may strike. But you can know that by choosing ProVider Plus to safeguard your livelihood, you've chosen an excellent policy from a highly reputable and experienced company. You'll be getting superior definitions of total and residual disability and the choice of a wide array of enhancements to tailor your coverage to meet your very specific needs - in short, the kind of comprehensive protection that will pay the most benefits in the greatest number of situations. To learn more about how to protect your ability to earn an income with Provider Plus, contact your financial representative today - and feel very good about tomorrow.

This policy provides disability income 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 for this policy is 50%. This ratio is the portion of future premiums which the company expects to return as benefits, when averaged over all people with this policy.

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