

WHEN BONUS COMPENSATION IS NOT COVERED

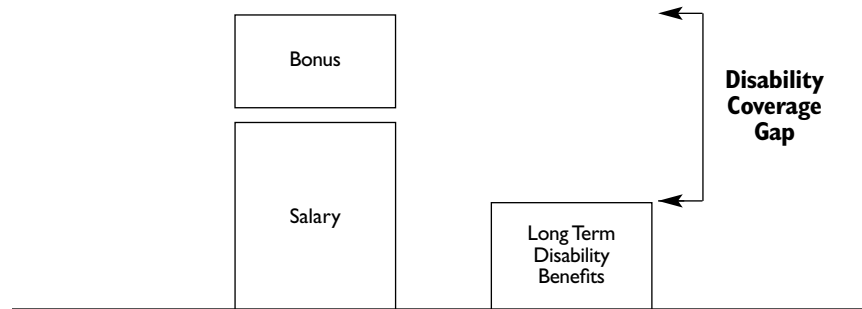
by a Group Long Term Disability Plan

Many group Long Term Disability plans limit “covered earnings” to salary alone. This means that executives and other employees who are paid significant amounts of bonus or other incentive compensation may have less Long Term Disability coverage than they think.

For instance, a Long Term Disability plan that covers 60% of salary to a maximum for \$6,000 a month provides a maximum benefit to someone with a \$120,000 salary. However, an employee who earns \$130,000, based on \$90,000 in salary and \$40,000 in bonus compensation, would receive only \$4,500 in disability benefits—not \$6,000. Since the Long Term Disability benefit covers only salary payments, this employee’s income replacement percentage is only 42%.

SALARY AND BONUS COMPENSATION

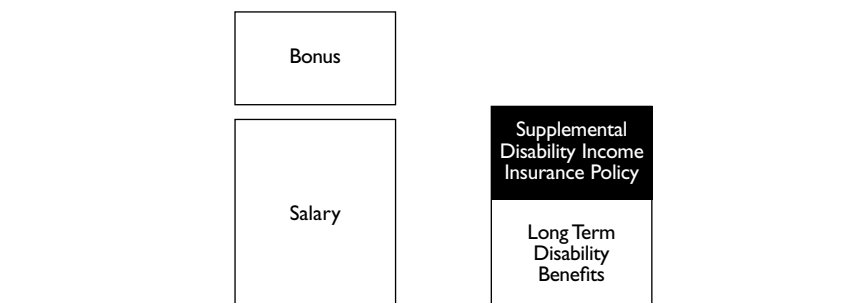
If the Long Term Disability monthly benefit cap is low, a highly paid executive may have disproportionately underinsured salary as well as uninsured bonus compensation.



A Supplemental Disability Income Insurance¹ program can be designed to insure the bonus compensation not covered by the Long Term Disability plan, providing a higher income replacement percentage.

INCREASE THE PERCENTAGE OF DISABILITY COVERAGE

Supplemental Disability Income Insurance that covers bonus income can help increase the percentage of overall disability coverage.



¹ Disability income products underwritten and issued by Berkshire Life Insurance Company of America, Pittsfield, MA, a wholly owned stock subsidiary of The Guardian Life Insurance Company of America, (Guardian) New York, NY or provided by Guardian.