



**City of Round Rock**

# Group Long Term Disability Insurance **PLAN DESIGN**

**Date:** September 15, 2025  
**Presented by:** Ochs, Inc., A Securian Financial Company  
**Underwritten by:** Madison National Life Insurance Company, Inc.

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## PLAN DETAILS

### Group Long Term Disability (LTD) Insurance

Summary	Definition
Effective Date	January 01, 2026
Class Definitions	Class 01: All Eligible Employees
Eligibility Requirements	30 hours per week
Funding	100% Employer Paid

## LONG TERM DISABILITY

### Plan Design Description

Summary	Definition
<b>LTD Benefit</b>	60%
<b>Guarantee Issue</b>	\$5,000
<b>Evidence of Insurability</b>	Required for late enrollees, benefit increases, or coverage in excess of the Guarantee Issue amount.
<b>Maximum Monthly Covered Salary</b>	\$8,333
<b>Maximum Monthly Benefit</b>	\$5,000
<b>Subrogation</b>	Included
<b>Elimination Period</b>	90 consecutive calendar days
<b>Maximum Benefit Period</b>	To SSNRA, 12 month minimum
<b>Own Occupation Period</b>	24 months following the end of the Elimination Period
<b>Definition of Disability</b>	Zero Day; Partial Disability from Date of Disability
<b>Own Occ / Any Occ Earnings Threshold</b>	80%/80% of Predisability earnings
<b>Work Incentive</b>	First 12 months of Disability with Work Earnings
<b>Calculation Method</b>	Direct Offset
<b>Freeze</b>	General Freeze
<b>Integration with Employer's Retirement Plan</b>	Yes
<b>Require Application for Employer's Retirement Plan</b>	Yes
<b>Mental Disorder Limitation</b>	24 months per Occurrence unless Hospital confined, with recovery
<b>Substance Abuse Limitation</b>	Same as Mental Disorder Limitation
<b>Other Income Integration (includes but is not limited to):</b>	Social Security – Full Family Sick Pay – Direct Offset Employer's Retirement Plan – Direct Offset Worker's Compensation – Direct Offset
<b>Cumulative Elimination Period</b>	30 Working Days
<b>Pre-Existing Condition Exclusion</b>	3 months/12 months
<b>Minimum Participation</b>	100%

<b>Leave of Absence Coverage</b>	Coverage with premium payment while on FMLA Leave; Coverage with premium payment for up to 12 months while not Actively at Work due to a Physical Disease or Injury
<b>Rehabilitation</b>	Applies
<b>Survivor Benefit</b>	3 x Gross Monthly Benefit

## SERVICES INCLUDED

### Waiver of Premium Payment

When a disabled Employee is approved for LTD benefits, all further LTD insurance premium payments for that individual will be waived during disability.

### Flexible Billing

Self-bill and list-bill options are available. Payments can be made on a monthly basis by multiplying the total covered payroll for the month by the rate indicated on this proposal.

### Claims Management

Madison National Life Insurance Company, Inc. (MNL) understands that a disability may not only be stressful for an Employee and his or her family, but also for the Employer. So, even though it's not part of an insurance policy, we believe part of our job is to reduce the stress associated with a disabling illness or injury. In coordination with our carrier partners, we employ the following methods for handling claims and assisting a successful return-to-work.

- › One point of contact – most groups assigned one claim specialist
- › Expedited answers – most calls returned in 24 hours or less
- › Rehabilitation intervention – vocational and site-modification programs
- › Patient advocacy – helps restore patient's outlook and manage disability
- › Social Security application assistance
- › Contact with claimant at certain milestones depending upon physical disease or injury

### Claim payment method

School groups may choose to have benefits paid on a daily compensation basis. If elected, teachers and other "contract day" Employees will have their annual pay divided by the number of contract working days to determine a daily benefit. For "non-contract day" Employees, the claimant's annual pay will be divided by the number of months which is closest to his or her actual work year.

### FICA Tax Savings

MNL will pay the Employer's portion of FICA withholding and release the Employer from 941 and W-2 reporting requirements. MNL does not require reimbursement from the Employer.

## KEY DEFINITIONS AND PROVISIONS

### Employee Eligibility

To be eligible for insurance, the Candidate must be an Employee who works for the Employer as a member of an Eligible Class who is reported on the Employer's records for Social Security and tax withholding purposes. The Candidate must be a citizen or legal resident of the United States or Canada and must reside in the United States or Canada. The Candidate must be Actively at Work and capable of sustained Active Work on the effective date of their coverage and must be meeting the Minimum Hourly Work Requirement. The Candidate cannot be a full-time member of the armed forces of any country, leased Employee or independent contractor and must satisfy their Waiting Period.

### When LTD Benefits End

An Insured Person's LTD Benefits end automatically on the earliest of the following:

- › The date the insured person is no longer Disabled;
- › The date the insured person's Maximum Benefit Period ends;
- › The date the insured person dies;
- › The date the insured person becomes eligible for coverage under any other group LTD plan obtained through employment;
- › The date the insured person fails to provide satisfactory objective medical evidence of continued Disability;
- › The date the insured person fails to comply with the Insurer's request to be examined by a Physician, other medical practitioner and/or a vocational or rehabilitation expert of the Insurer's choice;
- › The date the insured person refuses to accept an accommodated position, offered by the Employer, which he or she is able to perform, whether it is in their Own Occupation or Any Occupation;
- › The date at which the insured person has resided outside of the United States or Canada for 6 months;
- › The date that the insured person is confined in a penal or correctional institution or under house arrest;
- › The date that the insured person fails to comply with any requirements set forth in Section XIX, Responsibilities of Disabled Insureds.
- › The date that the insured person is able to work and earn the amount noted in the Earnings Threshold (outlined in the Plan Details section of this Proposal) but chooses not to.

## Maximum Benefit Period

### Class 01:

Age at Disablement	Benefit Duration*
61 or younger	to age 65
62	3-1/2 years
63	3 years
64	2-1/2 years
65	2 years
66	1-3/4 years
67	1-1/2 years
68	1-1/4 years
69 or older	1 year
*To the later of: 1) the specified length of time as stated above, or 2) the day before attaining the Social Security Normal Retirement Age under the United States Social Security Act, as revised.	

## Income That Reduces Disability Payments

Disability income from the Social Security Administration, any Employer Retirement Plan and other deductible sources of income will be deducted from the insured's income for purposes of calculating benefits unless otherwise stated in the Plan Details section of this proposal. After the first deduction for Social Security benefits, the monthly benefit will not be further reduced due to any cost of living increase payable under Social Security benefits.

If the insured is eligible for Social Security Disability benefits, but chooses instead to receive Social Security Retirement benefits, this plan will estimate the amount of the eligible Social Security Disability benefit and reduce the gross LTD benefit with the estimated amount.

## Income That Does Not Reduce Disability Payments

This policy will not deduct individual disability insurance benefits, accelerated benefits under a life insurance policy, group credit or mortgage disability insurance benefits, or deferred compensation from the insured's income for the purpose of calculating benefits. Also, the insured's benefit payments will not be reduced by income earned through an occupation held in addition to the own occupation prior to becoming disabled, unless that income exceeds the amount earned immediately prior to disablement.

## Definition of Disability

Disability or Disabled means that during the Elimination Period and the Own Occupation Period the Insured is, as a result of Physical Disease, Injury, Mental Disorder, Substance Abuse or Pregnancy, unable to perform one or more of the Material Duties of their Own Occupation, and, due to such inability, their Work Earnings are less than 80% of their Indexed Predisability Earnings, and they are incapable of earning 80% or more of their Indexed Predisability Earnings.

After the Own Occupation Period ends, Disability and Disabled means the Insured is, as a result of Physical Disease, Injury, Mental Disorder, Substance Abuse or Pregnancy, unable to perform one or more of the

Material Duties of Any Occupation, and, due to such inability, their Work Earnings are less than 80% of their Indexed Predisability Earnings, and they are incapable of earning 80% or more of their Indexed Predisability Earnings.

## Exclusions

Disabilities which are caused by or which the following contributed to are not insured by this plan:

- War or any act of war, declared or undeclared
- Active participation in a violent disorder or riot
- Commission of, or attempt to commit, any crime or while engaging in an illegal activity
- Intentionally self-inflicted injury or attempted suicide
- During military leave in the armed forces of any state or country
- No disability benefits will be paid while confined in a penal/correctional institution or under house arrest
- Motor-driven Vehicle in a race, stunt show, or speed test; or while testing any vehicle on any racecourse or speedway

## Pre-Existing Conditions

The Insured is not covered for a Disability caused or contributed to by a Pre-existing Condition or medical or surgical treatment of a Pre-existing Condition unless they have been continuously insured under the Group Policy for at least 12 months.

If the Insured is not covered for a Disability because of the Pre-existing Condition exclusion for their current LTD insurance, they are not covered for that same Disability for any LTD insurance increase because of an Eligible Class or Group Policy change.

LTD insurance increase because of an Eligible Class or Group Policy change. The Insured is not covered for a Disability caused or contributed to by a Pre-existing Condition or medical or surgical treatment of a Pre-existing Condition unless they have been continuously insured under the Group Policy for at least 12 months from the effective date of the LTD insurance increase

**Pre-existing Condition** means a mental or physical condition whether or not diagnosed or misdiagnosed for which the Insured has consulted a Physician or other licensed medical professional, received medical treatment, services or advice, undergone diagnostic procedures, including self-administered procedures, or taken prescribed drugs or medications at any time during the 3 month period just before the effective date of the Insured's insurance under the Group Policy or the effective date of the LTD insurance increase.

## Limitations

**Mental Disorders and Substance Abuse.** LTD Benefit payments based on a Mental Disorder or Substance Abuse are limited to 24 months for each period of continuous Disability. This is not a separate maximum for each such condition, but a combined maximum for Mental Disorders or Substance Abuse, either separate or combined.

If Disability is caused by Substance Abuse, the Insured must be participating in an available rehabilitative program recommended by a Physician. An available rehabilitative program is a Substance Abuse program available to the Insured through either: (i) another group plan of the Employer (such as an Employee Assistance Program or Medical Plan); or (ii) services generally available to the public through local community services at no or minimal cost to the Insured. Except as otherwise provided for below, LTD benefits will not be made beyond the earlier of the following:

- the date on which LTD Benefits have been paid for the maximum duration specified in subsections A1 and A3 or under the Maximum Benefit Period;
- the date the Insured are no longer participating in the rehabilitative program;
- the date the Insured refuses to participate in an available rehabilitative program; or
- the date the Insured completes the rehabilitative program.

If at the end of that 24 month period, the Insured is confined in a Hospital, or other facility qualified to provide necessary care and treatment for Mental Disorders or Substance Abuse, for at least 30 days

immediately following that 24 month period, LTD Benefits will continue for up to an additional 90 consecutive days following the date confinement ends, not to exceed the Maximum Benefit Period.

**Foreign Residency.** Payment of LTD Benefits is limited to 6 months for each period of continuous Disability while the Insured resides outside of the United States or Canada.

**Payment Limit.** In no event will the LTD Benefit plus Deductible Income plus Work Earnings exceed 100% of Predisability Earnings. In the event the Insured's LTD Benefit plus Deductible Income plus Work Earnings exceeds 100% of Predisability Earnings, the LTD Benefit will be reduced by the amount in excess of 100% of Predisability Earnings, subject to the Minimum Monthly Benefit.

Proposal Issue Date: September 15, 2025

## Proposal Terms and Conditions

- › This proposal is valid for 90 days from the proposal issue date, after which time the insurer reserves the right to revise benefits or rates.
- › We relied on information provided within the initial RFP and subsequent information after the RFP release to develop our proposal. If any information was incorrect or incomplete, we reserve the right to review or adjust rates.
- › Our rates are firm, as long as the enrollment census does not vary by more than 10% from the quoted census (in regards to lives and covered volume). We reserve the right to re-rate if the enrollment census varies more than 10%.

This proposal is not the insurance contract. It is only a brief description of your insurance to assist in your decision to elect this insurance. Complete details including all benefits, exclusions, and limitations will be contained in the Certificate of Insurance which will be issued by your Employer at a later date.



**City of Round Rock**

# Group Short Term Disability Insurance **PLAN DESIGN**

**Date:** September 15, 2025  
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## PLAN DETAILS

### Group Short Term Disability (STD) Insurance

Summary	Definition
Effective Date	January 01, 2026
Class Definitions	Class 01: All Eligible Employees
Eligibility Requirements	30 hours per week
Funding	0% Employer Paid

## SHORT TERM DISABILITY

### Plan Design Description

Summary	Definition
<b>Weekly STD Benefit</b>	60%
<b>Guarantee Issue</b>	\$1,200
<b>Evidence of Insurability</b>	Required for late enrollees, benefit increases, or coverage in excess of the Guarantee Issue amount.
<b>Maximum Weekly Benefit</b>	\$1,200
<b>Minimum Weekly Benefit</b>	None
<b>Injury Elimination Period</b>	14 days
<b>Physical Disease Elimination Period</b>	14 days
<b>24 Hour Coverage</b>	No; Non-Occupational Only
<b>Benefit Payment Period</b>	Commencing at the end of the Elimination Period and continuing for the lesser of 11 weeks or until LTD Benefits become payable
<b>Definition of Disability</b>	Zero Day; Partial Disability from Date of Disability
<b>Own Occupation Period</b>	Duration of Benefits
<b>Earnings Threshold</b>	80%
<b>Recurrent Disability</b>	30 days
<b>Calculation Method</b>	Direct
<b>Freeze</b>	General Freeze
<b>Other Income Integration</b>	Social Security – Full Family Sick Pay – Direct Offset Employer's Retirement Plan – Direct Offset Worker's Compensation – Direct Offset
<b>Pre-Existing Condition Exclusion</b>	3 months/12 months
<b>Mental Disorder, Substance Abuse, Special Conditions</b>	Covered Same as any Physical Disease
<b>Leaves and Sabbaticals</b>	Coverage with premium payment while on FMLA leave; Coverage with premium payment for up to 12 months while not Actively at Work due to a Physical Disease or Injury
<b>Minimum Participation</b>	20%

## SERVICES INCLUDED

### Flexible Billing

Self-bill and list-bill options are available. Payments can be made on a monthly basis by multiplying the total covered payroll for the month by the rate indicated on this proposal.

### Claims Management

Madison National Life Insurance Company, Inc. (MNL) understands that a disability may not only be stressful for an Employee and his or her family, but also for the Employer. So, even though it's not part of an insurance policy, we believe part of our job is to reduce the stress associated with a disabling illness or injury. In coordination with our carrier partners, we employ the following methods for handling claims and assisting a successful return-to-work.

- › One point of contact – most groups assigned one claim specialist
- › Expedited answers – most calls returned in 24 hours or less
- › Rehabilitation intervention – vocational and site-modification programs
- › Patient advocacy – helps restore patient's outlook and manage disability
- › Social Security application assistance
- › Contact with claimant at certain milestones depending upon physical disease or injury

### Claim payment method

School groups may choose to have benefits paid on a daily compensation basis. If elected, teachers and other "contract day" Employees will have their annual pay divided by the number of contract working days to determine a daily benefit. For "non-contract day" Employees, the claimant's annual pay will be divided by the number of months which is closest to his or her actual work year.

### FICA Tax Administration

MNL will pay the Employer's portion of FICA withholding and release the Employer from 941 and W-2 reporting requirements. MNL will invoice the Employer for reimbursement of the FICA tax expenses.

## KEY DEFINITIONS AND PROVISIONS

### Employee Eligibility

To be eligible for insurance, the Candidate must be an Employee who works for the Employer as a member of an Eligible Class who is reported on the Employer's records for Social Security and tax withholding purposes. The Candidate must be a citizen or legal resident of the United States or Canada and must reside in the United States or Canada. The Candidate must be Actively at Work and capable of sustained Active Work on the effective date of their coverage and must be meeting the Hourly Work Requirement. The Candidate cannot be a full-time member of the armed forces of any country, leased Employee or independent contractor and must satisfy their Waiting Period.

### When STD Benefits End

An Insured Person's STD Benefits end automatically on the earliest of the following:

- The date the insured person is no longer Disabled;
- The date the insured person Maximum Benefit Period ends;
- The date that group long term disability benefits become payable to the insured person;
- The date the insured person dies;
- The date the insured person becomes eligible for coverage under any other group STD plan obtained through employment;
- The date the insured person fails to provide satisfactory objective medical evidence of continued Disability;
- The date the insured person fails to comply with the Insurer's request to be examined by a Physician, other medical practitioner and/or a vocational or rehabilitation expert of the Insurer's choice;
- The date the insured person refuses to accept an accommodated position, offered by the Employer, which the insured person is able to perform, whether it is in the their Own Occupation or Any Occupation;
- The date at which the insured person has resided outside of the United States or Canada for 6 months;
- The date that the insured person is confined in a penal or correctional institution or under house arrest;
- The date that the insured person fails to comply with any requirements set forth in Section XIX, Responsibilities of Disabled Insureds.
- The date that the insured person is able to work and earn the amount noted in the Earnings Threshold (outlined in the Plan Details section of this Proposal), but chooses not to.

### Income That Reduces Disability Payments

Disability income from the Social Security Administration, any Employer Retirement Plan and other deductible sources of income will be deducted from the insured's income for purposes of calculating benefits unless otherwise stated in the Plan Details section of this proposal. After the first deduction for Social Security benefits, the monthly benefit will not be further reduced due to any cost of living increase payable under Social Security benefits.

If the insured is eligible for Social Security Disability benefits, but chooses instead to receive Social Security Retirement benefits, this plan will estimate the amount of the eligible Social Security Disability benefit and reduce the gross LTD benefit with the estimated amount.

### Income That Does Not Reduce Disability Payments

This policy will not deduct individual disability insurance benefits, accelerated benefits under a life insurance policy, group credit or mortgage disability insurance benefits, or deferred compensation from the insured's income for the purpose of calculating benefits. Also, the insured's benefit payments will not be reduced by income earned through an occupation held in addition to the own occupation prior to becoming disabled, unless that income exceeds the amount earned immediately prior to disablement.

## Termination provisions

The Insurer may terminate coverage as follows:

- If a premium payment is not received by the due date or grace period.
- If the number of people insured is less than the minimum participation number or percentage.
- If the Employer fails to promptly furnish any requested information or fails to perform any other obligations relating to the group policy.
- By giving the Employer at least 60 days advance written notice or on the date that the Employer breaches any part of the contract.

The Employer may terminate coverage under the group policy by giving the insurer at least 31 days written notice. The effective date of termination will be the date stated in the notice or the next payment due date, whichever date is later.

An Insured Person's Insurance, Subject to the When Your Insurance Ends provision found within the Certificate, will cease on the earliest of the following to occur:

- the date the Employer's coverage under the Group Policy terminates;
- the date the insured person ceases to be an Eligible Person;
- the date that premium payment is not paid when required;
- the insured person's Retirement Date.

## Changes in Premium Rates

Premium rates will not be changed during the initial rate guarantee period except if any of the following occur:

- A change or clarification in a law or governmental regulation affects the amount payable under the Group Policy. Any such change in premium rates will reflect only the change in the Insurer's obligations.
- Factors material to the underwriting risk the Insurer assumed under the Group Policy with respect to an Employer, including, but not limited to, the number of persons insured, age, Predisability Earnings, gender and occupational classification change significantly.
- The premium contribution arrangement for insured Employees is changed or varies from that provided for under the Group Policy when issued or last renewed.
- Plan design changes are requested by the Employer.
- The Insurer and the Employer mutually agree to change premium rates.

## Definition of Disability

During the Elimination Period and the Benefit Payment Period, Disability or Disabled means that the Insured is, as a result of Physical Disease, Injury, Pregnancy or Mental Disorder, unable to perform one or more of the Material Duties of their Own Occupation, and, due to such inability, their Work Earnings are less than 80% of their Predisability Earnings, and the insured person is incapable of earning 80% or more of their Predisability Earnings.

## Exclusions

Disabilities which are caused by or which the following contributed to are not insured by this plan:

- War or any act of war, declared or undeclared
- Active participation in a violent disorder or riot
- Commission of, or attempt to commit, any crime or while engaging in an illegal activity
- Intentionally self-inflicted injury or attempted suicide
- During military leave in the armed forces of any state or country, or while imprisoned
- Occupational Disability. Insureds are not covered for a disability arising out of or in the course of any employment for wage or profit. Insured is not covered for any Disability for which Worker's Compensation benefits are payable.
- Motor-driven Vehicle in a race, stunt show, or speed test; or while testing any vehicle on any racecourse or speedway

## Pre-Existing Conditions

The Insured is not covered for a Disability caused or contributed to by a Pre-existing Condition or medical or surgical treatment of a Pre-existing Condition unless they have been continuously insured under the Group Policy for at least 12 months.

If the Insured is not covered for a Disability because of the Pre-existing Condition exclusion for their current STD insurance, they are not covered for that same Disability for any STD insurance increase because of an Eligible Class or Group Policy change.

STD insurance increase because of an Eligible Class or Group Policy change. The Insured is not covered for a Disability caused or contributed to by a Pre-existing Condition or medical or surgical treatment of a Pre-existing Condition unless they have been continuously insured under the Group Policy for at least 12 months from the effective date of the STD insurance increase

**Pre-existing Condition** means a mental or physical condition whether or not diagnosed or misdiagnosed for which the Insured has consulted a Physician or other licensed medical professional, received medical treatment, services or advice, undergone diagnostic procedures, including self-administered procedures, or taken prescribed drugs or medications at any time during the 3 month period just before the effective date of the Insured's insurance under the Group Policy or the effective date of the STD insurance increase.

## Limitations

**Foreign Residency.** Payment of STD Benefits is limited to 6 months for each period of continuous Disability while the Insured resides outside of the United States or Canada.

**Payment Limit.** In no event will the STD Benefit plus Deductible Income plus Work Earnings exceed 100% of Predisability Earnings. In the event the Insured's STD Benefit plus Deductible Income plus Work Earnings exceeds 100% of Predisability Earnings, the STD Benefit will be reduced by the amount in excess of 100% of Predisability Earnings, subject to the Minimum Monthly Benefit.

Proposal Issue Date: September 15, 2025

## Proposal Terms and Conditions

- › This proposal is valid for 90 days from the proposal issue date, after which time the insurer reserves the right to revise benefits or rates.
- › We relied on information provided within the initial RFP and subsequent information after the RFP release to develop our proposal. If any information was incorrect or incomplete, we reserve the right to review or adjust rates.
- › Our rates are firm, as long as the enrollment census does not vary by more than 10% from the quoted census (in regards to lives and covered volume). We reserve the right to re-rate if the enrollment census varies more than 10%.

This proposal is not the insurance contract. It is only a brief description of your insurance to assist in your decision to elect this insurance. Complete details including all benefits, exclusions, and limitations will be contained in the Certificate of Insurance which will be issued by your Employer at a later date.

**Madison National  
Life Insurance Company**

**RATE CONFIRMATION**

1. Policyholder: City of Round Rock
2. Group Number: 25660
3. Insurance Product: Short Term Disability
4. Rate Coverage Period: January 1, 2026 – December 31, 2027

**Short Term Disability**

Premium Rates:

	Current Rates	Renewal Rates
Coverage	Rate per \$10 of weekly benefit per month	Rate per \$10 of weekly benefit per month
Short Term Disability	\$0.340	\$0.255

**RATE CONFIRMATION**

- 1. Policyholder: City of Round Rock
- 2. Group Number: 25660
- 3. Insurance Product: Long Term Disability
- 4. Rate Coverage Period: January 1, 2026 – December 31, 2027

**Long Term Disability**

Premium Rates:

	Current Rates	Renewal Rates
Coverage	Rate per \$100 of covered payroll per month	Rate per \$100 of covered payroll per month
Long Term Disability	\$0.140	\$0.196