



BASF Supplemental Disability Income Protection Plan (SDIP)

Frequently Asked Questions

As part of you@BASF, your total offer, BASF and Unum are offering all management represented full-time employees with at least one year of service a chance to enroll in an exclusive employee-paid benefit: Supplemental Disability Income Protection Plan. The intent of this plan is to provide a higher level of coverage, including protection for bonus compensation, in the event of a disability.

Plan Highlights

The Unum Supplemental Disability Income Protection Plan (SDIP) includes:

- A higher level of income replacement that is intended to supplement the BASF long term disability plan.
- Coverage for annual bonus compensation.
- Annual automatic increases in coverage as your total compensation increases.
- A private policy that Employees own; it can never be changed or canceled by Unum or BASF.
- The flexibility for Employees to take the policy with them should they leave BASF.
- A 25 percent discount on premiums, which are paid through convenient payroll deductions
- A Catastrophic Benefit that pays up to 100 percent of total compensation with approved disability

1. Who is eligible?

All actively at work BASF management represented full time employees with at least one year of service.

2. How can employees enroll?

You can enroll by requesting a packet from Unum and completing the Payroll Deduction Authorization and preprinted application included with your enrollment packet. If you choose this method, please remember to:

- Select benefit option 1 or option 2 on the Payroll Deduction Authorization sheet, then sign and date the Authorization where indicated.
- Verify your preprinted information is correct on the application, then complete the highlighted sections and sign and date the Declaration, Agreement and Authorization where indicated.
- Return the completed forms in the self addressed envelope.





3. Explain the active at work provision.

For the period of 90 days before the application is signed an Employee must:

1. Not have missed one or more days of work and;
2. Not have been homebound or admitted to a medical facility due to injury or sickness, and;
3. Not have had any restrictions or limitations to the ability to work on a full-time basis due to injury or sickness.

4. When do my SDIP benefits begin?

After the first 6 months of disability, both your BASF Sponsored long term disability and your SDIP benefits begin. Benefits begin to accrue after 180 days of disability.

5. Does this program cover variable compensation?

Yes. SDIP covers your annual bonus compensation. Your current BASF long term disability plan does not provide coverage for bonus compensation.

6. Are there different benefit options available?

Yes. Under SDIP, you are eligible to choose between two benefit durations. They are as follows:

To Age 65, DISABILITY STARTING	BENEFIT PERIOD
Before age 61	To Age 65
At age 61, but before age 62	48 months
At age 62, but before age 63	42 months
At age 63, but before age 64	36 months
At age 64, but before age 65	30 months
At or after age 65, but before age 75	24 months
At or after age 75	12 months

5 Year, DISABILITY STARTING	BENEFIT PERIOD
Before age 61	60 months
At age 61, but before age 62	48 months
At age 62, but before age 63	42 months
At age 63, but before age 64	36 months
At age 64, but before age 65	30 months
At or after age 65, but before age 75	24 months
At or after age 75	12 months



7. What are the main advantages of acquiring the coverage through the SDIP rather than attempting to purchase it on my own?

- Substantially lower premiums due to the employer sponsored discount of 25 percent.

8. How do I qualify for the Catastrophic Benefit?

The catastrophic disability benefit provides a monthly benefit in addition to the base policy benefits in the event of certain catastrophic disabilities that are likely to increase your living expenses. A catastrophic disability is defined as the loss of two or more Activities of Daily Living, including bathing, dressing, eating, toileting, continence and transferring; cognitive impairment; or presumptive disability (the total and permanent loss of hearing, sight, speech or use of two limbs).

9. How is the premium determined?

Premiums are determined by the insurance carrier (Unum) based on your age and coverage amount at the time your coverage becomes effective. Generally, the younger you are when you purchase your coverage, the lower the corresponding premium.

10. Do I get a discount?

Yes, your rate is discounted by 25%. The rates shown in your personalized enrollment materials reflect this discount.

11. Can the premium be increased in the future?

No. Your premium is guaranteed to age 65. If you decide to add additional coverage in the future, you will pay an additional premium, but only for the new coverage. The premium you pay for the initial coverage will not increase.

12. Are premiums the same for tobacco users and non-tobacco users, and do the rates vary by gender?

Tobacco users' rates are approximately 25% higher than non-tobacco users, and the rates are the same for males and females.

13. Can I take my policy with me if I leave the company?

Yes, because you are the owner of your SDIP policy, you can take it with you and retain the same rate including the group discount.





14. Can I increase my SDIP benefit in future years?

Yes, you have the option of increasing your benefit amount as your total compensation increases. Your premium will increase for the additional benefit amount.

15. Are premiums waived at point of disability?

After 90 days of disability, all future premiums will be waived while you receive benefits under the policy, and any premium paid during that time period will be refunded by Unum. (In certain circumstances, you may be approved for waiver prior to the receipt of benefits during the SDIP program.)

16. Am I eligible for the BASF long term disability plan AND the Supplemental Disability Plan through Unum

Yes, at claim time, your Supplemental Disability Income Protection Plan does not offset with the BASF LTD plan.

17. Will my SDIP benefits be offset with Social Security or pension plans?

No, you receive the full benefit as described in your policy.

18. Will my benefits be taxable?

No, since you pay the premiums on an after tax basis, your benefits from SDIP are not taxable as income. Please note benefits paid from the BASF LTD plan are taxable as income.

19. What are the medical requirements to qualify under this program?

A completed application, including medical history questions, is required. Additional requirements may include the following: review of prescription records, review of medical records from attending physician, personal history interview conducted by the underwriter.

20. Can my spouse receive this coverage?

No, it is only offered to active employees working at least 30 hours per week.

21. Can I discontinue coverage at any time?

Yes, you may terminate coverage at any time.





22. Can I purchase the coverage next year, if I decline it this year?

Yes, but you will be required to satisfy full medical underwriting based on Unum guidelines.

23. Can the term of my contract be changed without my consent?

No. As long as premiums are paid on time, your SDIP policy cannot be canceled, provisions cannot be changed, nor can the premiums be increased.

24. Who do I call for policy information after the enrollment is over?

For policy information after the enrollment, please call Unum Customer Service at 1-800-873-1059.

**Any additional questions may be directed to the
BASF Unum Enrollment Call Center:
1-800-873-1059**