

Executive Disability Benefit - FAQ

1. **What is the difference in the type/definition of disability under the BW plan compared to the Guardian plan?** The definition of disability under the current BW plan means that, solely because of a covered injury or sickness, you are unable to perform all the material duties of your regular occupation and you are unable to earn 80% or more of you indexed earnings from working in your regular occupation. After benefits have been payable for 30 months, you are unable to perform all of the material duties of any occupation for which you are qualified by education, training or experience, and you are unable to earn 60% or more of your indexed earnings.

The definition of disability under the new Executive Disability Plan (EDP) is broader meaning that, solely due to injury or sickness, you are not able to perform the material and substantial duties of your occupation and you are not gainfully employed.

2. **Could I be approved for disability by one plan and not by the other?** Yes, since the two plans have separate language, provisions of each plan are adjudicated independently of each other.
3. **If I don't enroll now, when will I have another opportunity?** Each May, following annual salary planning, we will provide eligible employees the opportunity to enroll in the plan. This is limited to three solicitations.
4. **If I add a new team member who qualifies for the benefit, how will they get communicated to about this benefit?** Newly eligible employees hired or promoted after this EDP enrollment will have the opportunity to apply during next year's annual EDP enrollment.
5. **This benefit is off our normal open enrollment cycle. How can I add or change it during November (annual) open enrollment?** Generally, applying for new coverage or increasing your EDP coverage will be done during the annual EDP enrollment in May and not our November annual open enrollment. The EDP can be reduced or canceled at any time. You must contact our plan administrator, HFCB, to make these changes.
6. **Why do I need to be enrolled in Cigna LTD70 to get this benefit?** BorgWarner evaluated the costs of underwriting the EDP plan with and without Cigna LTD70 enrollment. It is more cost effective for individuals to enroll in the Cigna LTD70 plan before selecting additional disability coverage.
7. **Can I cancel my benefit at any time?** Yes by contacting HFCB.
8. **What happens to my EDP premium payment if I leave BW?** It does not change.
9. **How does the benefit pay if I have a pre-existing condition?** There is no pre-existing condition limitation for employees enrolling during their initial solicitation. Underwriting is required during second or third/final solicitation.
10. **As my earnings increase, how do I increase my benefit?** On an annual basis, each participant will have the opportunity to automatically increase their coverage based on new income data.

They can decline the increase and maintain the original amount they were approved for. The increase (only) is based on current rates and their current age. The cost of the original amount does not increase.

11. **When I have a birthday, when are my premiums increased?** Premiums remain level all the way through age 67 and do not increase.

12. **How is my maximum disability benefit under EDP determined?** When combined with your 70% Group LTD benefit, the EDP increases your overall long-term disability coverage to 75% of your eligible compensation. Eligible compensation is defined as your base salary + 3 year average of bonus.
EDP formula: 75% of eligible compensation less your 70% Group LTD benefit = EDP benefit.
The maximum monthly benefit in the EDP plan is \$10,000.