



CALCULATING AN EMPLOYEE'S
MONTHLY LTD SPLIT PREMIUM
AMOUNT

Standard Worksheet

Instructions on calculating an employee's monthly premium:

Example:

Monthly premium for an individual with basic monthly earnings of \$5,000 and a benefit schedule 66.67% of the first \$2,500 of monthly earnings plus 50% of the balance to a maximum of \$4,000:

- 66.67% of \$2,500 = \$1,667
- 50% of \$2,500 = \$1,250
- 2,917 x \$1.20 = 3,500 ÷ 100 = \$35.00

* Please refer to your group insurance contract for specific plan details.

PREMIUM WORKSHEET	
1. FIRST BENEFIT PERCENTAGE (YOUR CONTRACT/POLICY IS SOURCE)	%
2. SECOND BENEFIT PERCENTAGE (YOUR CONTRACT/POLICY IS SOURCE)	%
3. RATE PER \$100	\$
4. MONTHLY EARNINGS (FROM CLIENT)	\$
5. PLAN MONTHLY MAXIMUM	\$
6. TAKE THE FIRST BENEFIT PERCENTAGE ()% AND MULTIPLY IT BY THE FIRST ____ OF THE EMPLOYEE'S MONTHLY EARNING'S.	\$
7. IF THE EMPLOYEE'S MONTHLY EARNINGS EXCEED ____, THEN TAKE THE BALANCE AND MULTIPLY IT BY THE SECOND BENEFIT PERCENTAGE ()%.	\$
8. ADD THE TWO CALCULATED AMOUNTS TOGETHER TO DETERMINE THE EMPLOYEE'S TOTAL COVERAGE AMOUNT. <i>(This equals the employee's coverage amount.)</i>	\$
<i>If this dollar amount exceeds the policy's maximum benefit (or non-evidence maximum benefit, if applicable) the coverage amount will be limited to the benefit maximum/non-evidence maximum benefit amount.</i>	
9. MULTIPLY EMPLOYEE'S COVERAGE AMOUNT #(8) BY THE RATE ON #(3)	\$
10. DIVIDE THE AMOUNT IN #(7) BY 100	\$
<i>This equals the employee's monthly LTD premium amount.</i>	

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We appreciate your business. If you have any questions, please call your RBC Insurance sales representative.