



## Benefits & Cost Summary

### **Lifestyle Life and Accidental Death and Dismemberment (AD&D) Insurance**

**Prepared For:**        **The Better Business Bureau**

**Marketed By:**        **Asset Solutions Group, Inc.**

**Submitted By:**       **Phoenix Office, Direct Business**

**Date:**                 **TBD**



## Benefits & Cost Summary Group Lifestyle Life and Accidental Death and Dismemberment Insurance

This proposal for Lifestyle Life and AD&D insurance coverage includes all active full-time employees working 30 hours per week in the United States with the employer.

**Number of Eligible Employees:** 10-49 lives

### ***Plan Description:***

**Coverage effective date:** January 1, 2022

### **Life Insurance**

#### **Employee Life Benefit Amount**

Amounts in \$10,000 benefit units as applied for by the employee and approved by Unum

#### **Overall Maximum**

The lesser of 5 X annual earnings or \$500,000

#### **Employee Life Non-Medical Maximum**

\$70,000

#### **Employee Life Benefit Reduction Formula**

Life Benefit Reduces to:

- 65% at age 70; and
- 50% at age 75

	<b>Dependent Life Benefit Amount</b>	<b>Overall Maximum</b>
<b>Spouse:</b>	Amounts in \$5,000 benefit units as applied for by the employee and approved by Unum	The lesser of 100% of the Employee Life amount or \$500,000
<b>Child:</b>	<ul style="list-style-type: none"> <li>- Live birth to 14 days: \$1,000</li> <li>- 14 days to 6 months: \$1,000</li> <li>- 6 months to 19 years (26 years if full-time student):</li> </ul> Amounts in \$2,000 benefit units as applied for by the employee and approved by Unum	The lesser of 100% of the Employee Life amount or \$10,000
<b>Spouse Life Non-Medical Maximum:</b>	\$25,000	
<b>Spouse Life Benefit Reduction Formula:</b>	The Spouse Life Benefit amount will reduce by the same percentage and at the same time as the Employee Life Benefit amount.	

**The amount of Life Insurance for a dependent will not be more than 100% of the employee Life amount. The employee must be covered for Life in order to insure dependents for Life.**

### **AD&D Insurance**

#### **Employee AD&D Benefit Amount**

Amounts in \$10,000 benefit units as applied for by the employee

#### **AD&D Maximum**

The lesser of 5 X annual earnings



and approved by Unum

or \$500,000

**Employee AD&D Benefit Reduction Formula**

AD&D Benefit Reduces to:

- 65% at age 70; and
- 50% at age 75

**Standard Plan Features Included in Quote:**

- Life Planning *Financial & Legal Resources*
- Annual Enrollment Period
- Customized Enrollment
- Life Insurance Conversion Privilege
- Unum Security Account
- 12 Month Rehire Provision
- AD&D Education Benefit - 6%-\$6,000
- AD&D Repatriation Benefit
- AD&D Seat Belt and Airbag Benefit - Employee Only 10%/\$25,000 Seatbelt-5%/\$5,000 Airbag
- AD&D Exposure and Disappearance Benefit
- Enhanced AD&D Schedule of Benefits and Losses
- Accelerated Benefit – 50% of the Life Amount to a maximum of \$750,000
- Employee Life Insurance Premium Waiver
- Portability

**Superior Administrative Support Features Included in Quote:**

- ***Simplified*** administration of group benefits through secured online tools:
  - Flexible plan administration and billing services
  - Easy access to frequently used forms
  - Claims information plan administrators need to assist employees and their families
  - A robust resource center filled with reference materials that enable plan administrators to be responsive to employee questions and industry information
  - Convenient online options of viewing or downloading your group insurance policy and employee certificate booklets
- Centralized toll-free Service Center for general inquiries
- Local Field Office Implementation Support
- Electronic Distribution of employee booklets - standard delivery
- Internet list bill and self accounting options
- Integrated Premium Waiver claims processing when sold with Unum LTD
- Compliance with ERISA reporting and disclosure requirements
- Superior Benefits Center Service Standards

***Rate Information:***

**Life Rates TBD**

**AD&D Rates TBD**

**Rate Guarantee:** 3 Year(s)

For purposes of calculating benefits and cost, an employee's "annual earnings" is assumed to mean: gross annual income before taxes, including any pre-tax contributions to a deferred compensation plan, **excluding** commissions, bonuses, overtime pay or other extra compensation.

**Cost of Coverage Paid By:** Employees



**Minimum Participation:** In order for the case to be issued, the greater of 10\* employees or 20% of the eligible employees must participate in the plan.

*\*Availability down to 5 enrolled lives may be subject to case packaging criteria and other program requirements. Please speak with your UNUM representative for more information.*

### **Coverage Exclusions:**

**Life Insurance:** 24 month suicide exclusion

**AD&D Insurance:**

AD&D benefits will not be paid for accidental losses caused by, contributed to by, or resulting from:

- Suicide, self-destruction while sane, intentionally self-inflicted injury while sane, or self-inflicted injury while insane, or self-inflicted injury while insane
- Active participation in a riot
- Attempt to commit or commission of a crime
- War, declared or undeclared, or any act of war
- Use of any prescription or non-prescription drug, poison, fume or other chemical substance unless used according to the prescription or direction of the employee's physician. This exclusion does not apply if the chemical substance is ethanol.
- Disease of the body, or diagnostic, medical or surgical treatment, or mental disorder as set forth in the latest edition of the Diagnostic and Statistical Manual of Mental Disorders
- Being intoxicated

### **Coverage Termination:**

An employee's coverage under the plan will end on the earliest of:

- the date the plan is cancelled;
- the date the employee is no longer in an eligible group;
- the date the employee's eligible group is no longer covered;
- the last day of the period for which the employee made any required contributions; or
- the last day the employee is in active employment, unless continued due to a covered layoff or leave of absence or due to an injury or sickness, as described in the contract.

The contract has additional provisions relating to dependent coverage termination. See your Unum representative for details.



**Lifestyle Life/AD&D Coverage Highlights & Descriptions:**

Some features listed below may be applicable only to certain employee classes. Please see the "Plan Description" section of your Lifestyle Life/AD&D Benefits and Cost Summary for specific plan details.

**Life Planning *Financial & Legal Resources:*** This personalized financial counseling service provides expert, objective financial counseling to survivors and terminally ill employees at no cost to them. This service is also extended to employees upon the death or terminal illness of their covered spouse. The financial consultants are master level consultants. They will help develop strategies needed to protect resources, preserve current lifestyles, and build future security. At no time will the consultants offer or sell any product or service.

**Accelerated Benefit:** Pays a portion of the insured employee's or dependent's Life benefit in the event the insured employee or dependent becomes terminally ill, and the employee's or dependent's life expectancy has been reduced to less than 12 months. The employee's or dependent's death benefit will be reduced by the Accelerated Life Benefit paid.

**Delayed Effective Date:** Employee: Insurance coverage will be delayed if you are not in active employment because of an injury, sickness, temporary layoff, or leave of absence on the date that insurance would otherwise become effective.  
Dependent: Insurance coverage will be delayed if that dependent is ***totally disabled*** on the date that insurance would otherwise be effective.

**TOTALLY DISABLED** means that, as a result of an injury or sickness or a disorder:

- Your dependent spouse:
- is confined in a hospital or similar institution; or
  - is confined at home under the care of a physician for a sickness or injury.

- Your dependent children:
- are confined in a hospital or similar institution; or
  - are confined at home under the care of a physician for a sickness or injury.

**Portability:** Allows an insured employee and their dependents to elect portable coverage, at group rates, if the employee terminates employment, reduces hours or retires from the employer. Employees and their dependents are not eligible for portable coverage if they have an injury or sickness, under the terms of this plan, that has a material effect on life expectancy.

**Life Insurance Premium Waiver:** Life insurance premiums will be waived for insured employees who become disabled prior to a specified age, and who remain disabled during an elimination period.

**Premium Waiver Benefit Maximum:** To Age 65

**Life Insurance Conversion Privilege:** When an insured employee's group coverage ends, employees and their dependents may convert their coverage to individual life policies without providing evidence of insurability.



## Lifestyle Life/AD&D Highlights

### AD&D Covered Losses and Benefits:

The AD&D plan provides additional protection for insured employees in the event of an accidental bodily injury resulting in death or dismemberment.

Benefits resulting from the accidental death are paid to the named beneficiary. Benefits resulting from a dismembering injury are paid to the insured. The loss must occur within 365 days of the accident.

For Loss of:	The Benefit will be:
• Life	The full amount
• Both hands or both feet or sight of both eyes	The full amount
• One hand and one foot	The full amount
• One hand or one foot and the sight of one eye	The full amount
• Speech and hearing	The full amount
• One hand or one foot	One half the full amount
• Speech or hearing	One half the full amount
• Sight of one eye	One half the full amount
• Thumb and index finger of the same hand	One quarter the full amount

No more than the full amount will be paid for all losses resulting from the same accident.

### AD&D Education Benefit:

Pays an additional lump sum benefit, to each qualified child of a deceased insured employee (provided death occurs within 365 days of the accidental bodily injury), equal to the lesser of:

- 6% of the employee's AD&D benefit amount; or
- \$6,000.

*Maximum Benefit Payments: 4 per lifetime*

*Maximum Benefit Amount: \$24,000*

*Maximum Benefit Period: 6 years from the date of the first benefit payment*

In order to qualify, a child must continue to be enrolled full-time in an accredited post-secondary institution of higher learning beyond the 12th grade level. If still at the 12th grade level, then the child must enroll in such an institution within 365 days of the employee's date of death.

### AD&D Repatriation Benefit:

Pays an additional accidental death benefit of up to \$5,000 for preparation and transportation of a deceased insured employee, provided death occurs at least 100 miles from the employee's principal residence.



## ***Lifestyle Life/AD&D Highlights***

### **AD&D Seat Belt and Airbag Benefit:**

Pays an additional accidental death benefit if an insured employee dies while properly wearing a seat belt, and an additional accidental death benefit if the employee was protected by an airbag.

#### *Benefit Amount:*

- Seatbelt: 10% of the Full Amount of the insured employee's accidental death and dismemberment insurance benefit.
- Airbag: 5% of the Full Amount of the insured employee's accidental death and dismemberment insurance benefit.

#### *Maximum Benefit:*

- Seatbelt: \$25,000
- Airbag: \$5,000.

### **AD&D Exposure and Disappearance Benefit:**

Pays a benefit if the insured employee sustains an accidental bodily injury and is unavoidably exposed to the elements and suffers a loss.

Unum will presume the insured employee suffered loss of life due to an accident if:

- they are riding in a common public passenger carrier that is involved in an accident covered under the contract; and
- as a result of the accident, the common public passenger carrier is wrecked, sinks, is stranded, or disappears; and
- the insured employee's body is not found within one year of the accident.

### **Unum Security Account:**

For Life and AD&D claims that are \$10,000 or greater, a Retained Asset Account (the Unum Security Account) will be made available to the designated beneficiary. This account allows access to all paid benefits immediately, while paying interest on benefits that have not been accessed.

Claim payment is satisfied by establishment of the Unum Retained Asset Account. The funds are retained in Unum's general account and Unum pays a guaranteed rate of interest on the funds in the retained asset account regardless of the investment performance of Unum's general account. The beneficiary can request a lump sum check instead of the retained asset account or they can access all or part of the funds in the retained asset account by writing a single or multiple drafts.

While the funds are not FDIC insured, they are guaranteed by State Guaranty Associations.

For more information regarding the Unum Retained Asset Account please contact your Unum representative.



**Contacting Your Unum Sales Office:**

**Location:** Unum - Home Office  
2211 Congress St.  
DO NOT MAIL  
Portland, ME 04122

**Telephone:** (207) 575-2211  
**Fax:** (207) 575-2340

**Sales Team:** Tad Crother, Sales Consultant

**Proposal Conditions:**

This proposal is under no circumstances a contract for the insurance coverage described within. If this proposal is accepted, a contract outlining the coverage will be issued.

This proposal is based on census data received by Unum. Actual costs will be based on the final enrollment data of employees insured under the plan on its effective date. Quote assumes coverage of employees who are in active employment in the United States with the employer. Please contact your Unum representative to request a quote for coverage of any employees who do not fit this category. **This quote will remain open until November 2, 2021 and includes standard services only, unless otherwise expressly described herein.**

**Important Information Concerning the Sale of these Benefits:**

State laws require that insurance brokers be licensed and appointed with the applicable Unum Insurance subsidiary before engaging in the solicitation or sale of these benefits. *Note that Unum cannot accept this business if the broker is not properly licensed and appointed before soliciting this proposal.*

Unum is prepared to help ensure compliance with these state regulations. Brokers who need to check their Unum appointment status should call Ask Unum at 1-800-275-8686 opt. 2.

Life/AD&D Policy Form Number: C.FP-2

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Portland, Maine 04122  
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**BROKER COMPENSATION DISCLOSURE NOTICE FOR GROUP PRODUCTS**

Your insurance or benefits advisor can offer you advice and guidance as you select the policy and provider most appropriate for your needs. At Unum we recognize the important role these professionals play in the sale of our products and services and offer them a variety of compensation programs. Your advisor can provide you with information about these programs as well as those available from other providers. We support disclosure of broker compensation so that customers can make an informed buying decision.

Brokers may be eligible to receive Base Commissions as well as Supplemental Commissions from Unum.

Unless you have agreed in writing to compensate the broker differently, Unum provides Base Commissions to all brokers in connection with the sale of an insurance policy. Base Commissions are a fixed percentage of the policy premium, and may include a one time, first year flat amount for each policy sold. Base Commissions are paid by Unum to the broker(s) on your policy. In some circumstances, broker(s) may be eligible to receive commissions on your policy even after a broker of record change has occurred.

A broker may also qualify for Supplemental Commissions paid by Unum. For group insurance products, Supplemental Commissions may be paid as a fixed percentage of total eligible group insurance premiums. The Supplemental Commission rate depends on the total dollar amount of all eligible premiums or number of group policies that the broker had in force with Unum in the prior calendar year. The Supplemental Commission rate may range from 0% to 13.80% of total premium paid.

The exact Supplemental Commission percentage payable to any broker is based upon the total dollar amount of all eligible inforce or new sales insurance premiums or number of policies that the broker had inforce with Unum in the prior calendar year. Supplemental Commissions may be calculated differently for other insurance products. The premium you pay is not impacted whether or not your broker receives Supplemental Commissions.

If you would like additional information about the range of compensation programs our company offers for your group insurance policy or any other Unum insurance product, you can find more details at [www.unum.com](http://www.unum.com). Should you have other questions not addressed by the website, including the Supplemental Commission percentage applicable to your broker, or if you want to speak to us directly about broker compensation, please call 1-800-ASK-UNUM (1-800-275-8686).