



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

This proposal for 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: 81

Plan Description:

Coverage effective date: January 1, 2022

Life Insurance

| <u>Employee Life Benefit Amount</u> | <u>Overall Maximum</u> |
|--------------------------------------------------------|-------------------------------|
| 1 X annual earnings rounded to the next higher \$1,000 | \$150,000 |

Employee Life Non-Medical Maximum

The Employee Life non-medical maximum is equal to the overall maximum.

Employee Life Benefit Reduction Formula

Life Benefit Reduces to:

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

AD&D Insurance

| <u>Employee AD&D Benefit Amount</u> | <u>AD&D Maximum</u> |
|--------------------------------------------------------|--------------------------------|
| 1 X annual earnings rounded to the next higher \$1,000 | \$150,000 |

Employee AD&D Benefit Reduction Formula

AD&D Benefit Reduces to:

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

Standard Plan Features Included in Quote:

- Life Planning *Financial & Legal Resources*
- 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 – 100% of the Life Amount to a maximum of \$250,000
- 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

Rates and Cost Information:

Life Rates

| | Volume | Rate | Monthly Cost |
|----------------------|-------------|---------------------|--------------|
| Employee Life | \$6,114,000 | \$0.100 per \$1,000 | \$611.40 |

AD&D Rates

| | Volume | Rate | Monthly Cost |
|--------------------------|-------------|---------------------|--------------|
| Employee AD&D | \$6,114,000 | \$0.030 per \$1,000 | \$183.42 |

Rate Guarantee: 2 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.

Employee Employer (Rate assumes 100% participation)

Cost of Coverage Paid By:

Coverage Exclusions:

Life Insurance: 24 month suicide exclusion
(applies to contributory amounts and medically underwritten amounts)

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 sane, 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
- Operation of any motorized vehicle while 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.



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

Delayed Effective Date: 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.

Portability: Allows an insured employee to elect portable coverage, at group rates, if the employee terminates employment, reduces hours or retires from the employer. Employees 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 may convert their coverage to individual life policies without providing evidence of insurability.

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 |



Life/AD&D Highlights

NORHART INC

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.



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.



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

NORHART INC

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: |
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| • Life | The full amount |
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| • One hand and one foot | The full amount |
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| • 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 or their dependents, provided death occurs at least 100 miles from the employee's or their dependent's principal residence.



AD&D Seat Belt and Airbag Benefit:

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

Benefit Amount:

- Seatbelt: 10% of the Full Amount of the insured employee's or their dependent's accidental death and dismemberment insurance benefit.
- Airbag: 5% of the Full Amount of the insured employee's or their dependent'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 or their dependents sustains an accidental bodily injury and is unavoidably exposed to the elements and suffers a loss.

Unum will presume the insured employee or their dependents 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 or their dependent'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.