

**Long Term & Short Term Disability
Basic & Voluntary Term Life
Basic & Voluntary AD&D
PROPOSAL**

Prepared For:

City of Carson

Requested By: BENDER BENEFITS, INC

Proposed Effective Date: March 1, 2017

This Proposal Valid Until: March 1, 2017

Underwritten By: Life Insurance Company of North America

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EXHIBIT 1



City of Carson
Long Term Disability Proposal
Schedule of Benefits Summary

Eligibility	Class 1: All active, Full-Time Employees of the Employer with 5 or more years of service, regularly working a minimum of 30 hours per week, in the United States, who are citizens or permanent resident aliens of the United States, and participating Elected or Appointed Officials with 5 or more years of service, in the United States, who are citizens or permanent resident aliens of the United States Class 2: All active, Full-Time Employees of the Employer with less than 5 years of service, regularly working a minimum of 30 hours per week in the United States, who are citizens or permanent resident aliens of the United States, and participating Elected or Appointed Officials with less than 5 years of service, in the United States, who are citizens or permanent resident aliens of the United States
Number of Eligible Employees	Class 1: 195 Class 2: 83
Monthly Benefit	66.67% to \$5,000
Benefit Waiting Period	Class 1: 90 days Class 2: 90 days
Definition of Disability	Class 1: Own Occupation to Age 65 Class 2: 24 Months Own Occupation
Definition of Covered Earnings	Non AFSCME Local 809 - Standard Wage includes the employee's wage or salary as reported by the employer. Total monthly earnings include deductions made for pre-tax contributions made to a qualified Deferred Compensation Plan, Section 125 Plan or Flexible Spending Account, but does not include income received due to bonuses, overtime pay, stock options, stock bonuses or any other compensation. AFSCME Local 809 - Standard Wage includes the employee's wage or salary as reported by the employer. Total monthly earnings include shift differential pay, uniform pay, bi-lingual pay, longevity pay, A/B License Pay, Certification Pay and deductions made for pre-tax contributions made to a qualified Deferred Compensation Plan, Section 125 Plan or Flexible Spending Account, but does not include income received due to bonuses, overtime pay, stock options, stock bonuses or any other compensation.
Eligibility Waiting Period	First of the month on or coinciding with 30 days of hire
Earnings Test	Class 1: 80/80 AND Class 2: 80/80 AND
Plan Type*	Class 1: Non-Contributory Class 2: Non-Contributory

Benefits below apply to the following classes: 1, 2	
Accumulated Sick Leave	Not Included in Benefit Waiting Period
Minimum Benefit	\$100
Maximum Benefit Duration	Social Security Normal Retirement Age (SSNRA)
Benefit Reduction Schedule	Social Security Normal Retirement Age
Social Security Integration Type	None
Other Sources of Income	See Disability Contract Features
Employer Contribution	100%
Survivors Benefits	3 months lump sum
401(k) Contribution Benefit	1% to a Maximum Amount of \$2,500
Continuation of Insurance	Family Medical Leave (12 weeks) Family Medical Military Leave (12 weeks) Leave of Absence (3 months)

Pre-Existing Condition Limitation	3 months Prior/12 months Insured
Mental Illness Limitation	24 Month Lifetime Limitation
Substance Abuse Limitation	24 Month Lifetime Limitation
Chemical Sensitivity	No Limitation
Subjective Symptom Limitation	No Limitation
Return to Work Incentive	Included
Trial Work Days	Unlimited
Rehabilitation Benefits	Included
Health and Welfare Deductions Service	Excluded
Life Assistance Program	Excluded – FULL EAP SOLD

For additional descriptions, see Key Definitions and Provisions section below.

LONG TERM DISABILITY RATE SUMMARY

Coverage	Monthly Covered Payroll	Monthly Rate per \$100 of Monthly Covered Payroll	Monthly Premium
LTD	1,619,968	\$1.050	\$17,010

Rates are guaranteed for 3 years

Rates are only valid if the product is sold as part of this package



City of Carson
Short Term Disability Proposal
Schedule of Benefits Summary

Eligibility	All active, Full-Time Employees of the Employer regularly working a minimum of 30 hours per week in the United States who are citizens or permanent resident aliens of the United States, and Participating Elected or Appointed Officials who are citizens or permanent resident aliens of the United States.
Number of Eligible Employees	278
Weekly Benefit	66.67% to \$1,154
Benefit Waiting Period	0 Days for Accident & 7 Days for Sickness
Definition of Covered Earnings	Non AFSCME Local 809 - Standard Wage includes the employee's wage or salary as reported by the employer. Total monthly earnings include deductions made for pre-tax contributions made to a qualified Deferred Compensation Plan, Section 125 Plan or Flexible Spending Account, but does not include income received due to bonuses, overtime pay, stock options, stock bonuses or any other compensation. AFSCME Local 809 - Standard Wage includes the employee's wage or salary as reported by the employer. Total monthly earnings include shift differential pay, uniform pay, bi-lingual pay, longevity pay, A/B License Pay, Certification Pay and deductions made for pre-tax contributions made to a qualified Deferred Compensation Plan, Section 125 Plan or Flexible Spending Account, but does not include income received due to bonuses, overtime pay, stock options, stock bonuses or any other compensation.
Eligibility Waiting Period	First of the month on or coinciding with 30 days of hire
Plan Type*	Non-Contributory
Maximum Duration from Date of Disability	13 Weeks (Includes Benefit Waiting Period)
Maximum Weekly Payments	13 Weeks Accident and 12 Weeks Sickness

Benefits below apply to the following classes: 1

Accumulated Sick Leave	Not Included in Benefit Waiting Period
1st Day Hospitalization Coverage	Not Included
Definition of Disability	Own Job
Earnings Test	80%
Minimum Benefit	\$25 per week
Social Security Integration Type	Full Family - note employees do NOT participate in SSDI themselves
Other Sources of Income	See Disability Contract Features
Statutory Disability Integration	Not included as an offset – not applicable, employees do NOT participate in CASDI
Employer Contribution	100%
Continuation of Insurance	Family Medical Leave (12 weeks) Family Medical Military Leave (12 weeks) Leave of Absence (3 months)
Pre-Existing Condition Limitation	None
Employer FICA Service	Included
Trial Work Days	Unlimited
Health and Welfare Deductions Service	Excluded
Coverage Type	Non Occupational

For additional descriptions, see Key Definitions and Provisions section below.



SHORT TERM DISABILITY RATE SUMMARY

Coverage	Weekly Gross Benefit	Monthly Rate per \$10 of Weekly Gross Benefit	Monthly Premium
STD	243,555	\$0.420	\$10,229

Rates are guaranteed for 3 years

Rates are only valid if the product is sold as part of this package

***This proposal assumes all eligible persons are insured and that premiums are paid on a pre-tax basis.**



**City of Carson
Basic Term Life Proposal
Schedule of Benefits Summary**

Employee Eligibility	Class 1: All active, Full-Time and CPT AFSCME Union Local 809 Employees of the Employer regularly working a minimum of 30 hours per week in the United States, who are citizens or permanent resident aliens of the United States. Class 2: All active, Full-Time Employees of the Employer classified as Professional, Supervisor or Management Employees of the Employer regularly working a minimum of 30 hours per week in the United States, who are citizens or permanent resident aliens of the United States. Class 3: All active, Full-Time Confidential AFSCME Local 1017, Field Deputy, Senior Field Deputy, and Senior Deputy City Clerk Employees of the Employer regularly working a minimum of 30 hours per week in the United States, who are citizens or permanent resident aliens of the United States. Class 4: All active, Participating Mayor or City Council Members regularly working in the United States, who are citizens or permanent resident aliens of the United States. Class 5: All active, Full-Time Employees of the Employer classified as Assistant City Manager or Director of the Employer regularly working a minimum of 30 hours per week in the United States, who are citizens or permanent resident aliens of the United States. Class 6: All active, Participating City Clerk or City Treasurer of the Employer regularly working in the United States, who are citizens or permanent resident aliens of the United States. Class 7: All active, Full-Time Employees of the Employer classified as City Controller of the Employer regularly working a minimum of 30 hours per week in the United States, who are citizens or permanent resident aliens of the United States. Class 8: All active, Full-Time Employees of the Employer classified as City Manager of the Employer regularly working a minimum of 30 hours per week in the United States, who are citizens or permanent resident aliens of the United States. Class 9: Retirees of the Employer
Employee Eligibility Waiting Period	First of the month on or coinciding with 30 days of hire
Number of Eligible Employees	278
Employee Annual Compensation Definition	Employee's annual wage or salary excluding bonuses, commissions, overtime pay, and extra compensation.
Employee Basic Life Benefit/GI	Class 1: \$100,000 Class 2: \$100,000 Class 3: \$100,000 Class 4: \$250,000 Guaranteed Issue: \$110,000 Class 5: \$200,000 Guaranteed Issue: \$110,000 Class 6: \$200,000 Guaranteed Issue: \$110,000 Class 7: \$150,000 Guaranteed Issue: \$110,000 Class 8: \$250,000 Guaranteed Issue: \$110,000 Class 9: One times the inforce Voluntary Life benefit to a maximum of \$300,000
Employee Minimum Benefit	None

Benefits below apply to the following classes: Class 1, Class 2, Class 3, Class 4, Class 5, Class 6, Class 7, Class 8	
Employee Benefit Reduction Schedule Benefits Reduce to:	65% @ age 70, 45% @ age 75, 30% @ age 80
Waiver of Premium with Extended Death Benefit	Must become disabled before age 65 9 month waiting period Benefit provided to age 65 Extended Death Benefit coverage during waiting period, no premiums required during this time
Continuation after Waiver Eligibility Age Limit	Life coverage continued for a disabled employee over the age of 65 on a continuing premium paying basis for up to 12 months, while policy is in force
Continuation of Insurance	Family Medical Leave (12 weeks) Family Military Convalescence Support (26 weeks)
Portability	Employee only; Coverage ends at age 70 Inforce amounts do not require medical underwriting. Increases in coverage are allowed up to plan max with medical underwriting
Life Assistance Program	Excluded
Terminal Illness	The lesser of 100% up to \$250,000 for Basic benefits Coverage available for employees and spouses if applicable
Employer Contribution	100%
Beneficiary Services	- Comprehensive package of financial, bereavement and legal counseling - Available for benefit payments $\geq$ \$5,000

Benefits below apply to the following classes: Class 9	
Employee Benefit Reduction Schedule Benefits Reduce to:	None, terms at age 80
Continuation of Insurance	Family Medical Leave (12 weeks) Family Military Convalescence Support (26 weeks)
Portability	None
Life Assistance Program	Excluded
Terminal Illness	The lesser of 100% up to \$300,000 for Basic benefits Coverage available for employees and spouses if applicable
Employer Contribution	0% Voluntary
Beneficiary Services	- Comprehensive package of financial, bereavement and legal counseling - Available for benefit payments $\geq$ \$5,000

BASIC TERM LIFE RATE SUMMARY

Coverage	Estimated Volume	Rate	Estimated Monthly Cost
Basic Employee Life			
Classes 1, 2, 3, 4, 5, 6, 7, 8	\$29,077,500	\$0.14 per \$1,000	\$4,070
Class 9	\$3,690,000	\$0.49 per \$1,000	\$1,446

We have separate rates for ported individuals.

Rates are guaranteed for 3 years

Rates are only valid if the product is sold as part of this package



City of Carson
Voluntary Term Life Proposal
Schedule of Benefits Summary

Employee Eligibility	All active, Full-Time Employees of the Employer regularly working a minimum of 30 hours per week, and Participating Elected or Appointed Officials in the United States, who are citizens or permanent resident aliens of the United States.
Employee Eligibility Waiting Period	First of the month on or coinciding with 30 days of hire
Number of Eligible Employees	278
Employee Annual Compensation Definition	Employee's annual wage or salary excluding bonuses, commissions, overtime pay, and extra compensation.
Employee Voluntary Life Benefit*	Units of \$5,000 to the lesser of 5 times salary or \$300,000
Employee Guaranteed Issue Amount	\$200,000 for classes 1-3, \$110,000 for classes 4-8
Employee Minimum Benefit	None
Spouse Eligibility	Employees do not need to participate in voluntary plan for dependents to participate. Standalone coverage is allowed
Domestic Partner / Civil Union Coverage	State-registered civil unions/domestic partnerships included (state mandate). Employer-recognized Domestic Partners may optionally be included (definition to be agreed upon).
Spouse Life Benefit	Flat \$10,000
Infant/Child Life Benefit	Employees do not need to participate in voluntary plan for dependents to participate. Standalone coverage is allowed Birth to 6 months: \$5,000 6 months to 26 years: Flat \$5,000
Dependent Guaranteed Issue Amount	Spouse: \$10,000 Child: All Guaranteed Issue

Initial Enrollment Event	Offered for an effective date of 3/1/2017 or TBD Applies to all eligible employees (including dependents) Enrollment Guaranteed Issue: • Employee: Up to case level Guaranteed Issue* • Spouse: Up to case level Guaranteed Issue* <i>*Any benefit amounts above the case level Guaranteed Issue are subject to full medical underwriting</i>
Ongoing Enrollment Event	None
Employee Benefit Reduction Schedule Benefits Reduce to:	0% @ age 80
Waiver of Premium with Extended Death Benefit	Must become disabled before age 65 9 month waiting period Benefit provided to age 65 Extended Death Benefit coverage during waiting period, no premiums required during this time Coverage also available to Dependents
Continuation after Waiver Eligibility Age Limit	Life coverage continued for a disabled employee over the age of 65 on a continuing premium paying basis for up to 12 months, while policy is in force
Continuation of Insurance	Family Medical Leave (12 weeks) Family Military Convalescence Support (26 weeks) Leave of Absence (3 months) Temporary Layoff (3 months)
Portability	Employee and covered dependents



	Coverage ends at age 70 Inforce amounts do not require medical underwriting. Increases in coverage are allowed up to plan max with medical underwriting
Terminal Illness	The lesser of 100% up to \$300,000 for Voluntary benefits Coverage available for employees and spouses
Participation Requirement	Inforce levels
Suicide Exclusion	We do not pay death benefits if insured commits suicide during first two years of coverage This two year suicide exclusion also applies to all later increases in coverage
Employee Contribution	100%
Beneficiary Services	- Comprehensive package of financial, bereavement and legal counseling - Available for benefit payments >= \$5,000
Enrollment Communications & Support	- Client-specific brochures & applications

***We recommend that you consult with your attorney or qualified tax advisor regarding your proposed plan design and the requirements of section 79 of the Internal Revenue Code; in particular, the requirement that any group term life insurance policy must be provided on a basis that precludes individual selection. We cannot provide employers with legal or tax advice.**

VOLUNTARY TERM LIFE RATE SUMMARY

Coverage	Premium Rate
Voluntary Term Life	
<i>Employee</i>	\$0.490 per \$1,000
Voluntary Dependent Life	
<i>Basic Family</i>	\$2.400 per family

VOLUNTARY LIFE INSURANCE STEP RATES FOR EMPLOYEE

We have separate rates for ported individuals.

Rates are guaranteed for 3 years

Rates are only valid if the product is sold as part of this package

City of Carson
Basic Accident Proposal
Schedule of Benefits Summary

Eligibility	Class 1: All active, Full-Time and CPT AFSCME Union Local 809 Employees of the Employer regularly working a minimum of 30 hours per week in the United States, who are citizens or permanent resident aliens of the United States. Class 2: All active, Full-Time Employees of the Employer classified as Professional, Supervisor or Management Employees of the Employer regularly working a minimum of 30 hours per week in the United States, who are citizens or permanent resident aliens of the United States. Class 3: All active, Full-Time Confidential AFSCME Local 1017, Field Deputy, Senior Field Deputy, and Senior Deputy City Clerk Employees of the Employer regularly working a minimum of 30 hours per week in the United States, who are citizens or permanent resident aliens of the United States. Class 4: All active, participating Mayor or City Council Members regularly working in the United States, who are citizens or permanent resident aliens of the United States. Class 5: All active, Full-Time Employees of the Employer classified as Assistant City Manager or Director of the Employer regularly working a minimum of 30 hours per week in the United States, who are citizens or permanent resident aliens of the United States. Class 6: All active, Participating City Clerk or City Treasurer of the Employer regularly working in the United States, who are citizens or permanent resident aliens of the United States. Class 7: All active, Full-Time Employees of the Employer classified as City Controller of the Employer regularly working a minimum of 30 hours per week in the United States, who are citizens or permanent resident aliens of the United States. Class 8: All active, Full-Time Employees of the Employer classified as City Manager of the Employer regularly working a minimum of 30 hours per week in the United States, who are citizens or permanent resident aliens of the United States.
Benefits:	
Covered Earnings Definition	Employee's annual wage or salary excluding bonuses, commissions, overtime pay, and extra compensation.
Eligibility Waiting Period	First of the month on or coinciding with 30 days of hire
Employee Benefit	Class 1: \$100,000 Class 2: \$100,000 Class 3: \$100,000 Class 4: \$250,000 Guaranteed Issue: \$110,000 Class 5: \$200,000 Guaranteed Issue: \$110,000 Class 6: \$200,000 Guaranteed Issue: \$110,000 Class 7: \$150,000 Guaranteed Issue: \$110,000 Class 8: \$250,000 Guaranteed Issue: \$110,000
Coverage	Basic, Employer paid, 24 Hour Accidental Death & Dismemberment Benefits. Other enhancements will be defined in the policy.
Loss of Life	100% of the Principal Sum
Dismemberment	
Loss of Two or More Hands or Feet	100% of the Principal Sum
Loss of Sight of Both Eyes	100% of the Principal Sum
Loss of Speech and Hearing (in both ears)	100% of the Principal Sum
Quadriplegia (Total paralysis of upper and	100% of the Principal Sum

lower limbs)	
Paraplegia (Total paralysis of both lower or both upper limbs)	75% of the Principal Sum
Hemiplegia (Total paralysis of upper and lower limbs on one side of the body)	50% of the Principal Sum
Uniplegia (Total paralysis of one upper or one lower limb)	25% of the Principal Sum
Loss of One Hand or Foot	50% of the Principal Sum
Loss of Sight in One Eye	50% of the Principal Sum
Severance and Reattachment of One Hand or Foot	50% of the Principal Sum
Loss of Speech	50% of the Principal Sum
Loss of Hearing (in both ears)	50% of the Principal Sum
Loss of Thumb and Index Finger of the Same Hand	25% of the Principal Sum
Loss of all Four Fingers of the Same Hand	25% of the Principal Sum
Loss of all the Toes of the Same Foot	20% of the Principal Sum

Coma	
Monthly Benefit	1% of Principal Sum
Number of Monthly Benefits	11
When Payable	At the end of each month during which the Covered Person remains comatose
Lump Sum Benefit	100% of Principal Sum
When Payable	Beginning of 12th Month

Accidental Death & Dismemberment Schedule of Benefits: We will pay the benefit for any one of the Covered Losses listed in the Schedule of Benefits, if the Covered Person suffers a Covered Loss resulting directly and independently of all other causes from a Covered Accident within the applicable time period specified in the Schedule of Benefits.

If the Covered Person sustains more than one Covered Loss as a result of the same Covered Accident, benefits will be paid for the Covered Loss for which the largest available benefit is payable.

If the loss results in death, benefits will only be paid under the Loss of Life benefit provision.

Any Loss of Life benefit will be reduced by any paid or payable Accidental Dismemberment benefit. However, if such Accidental Dismemberment benefit equals or exceeds the Loss of Life benefit, no additional benefit will be paid.

Extension of Coverage:

Coverage expanded to cover the following circumstances:

- Exposure & Disappearance - loss occurs due to exposure; disappearance if not found within one year

Benefits below apply to the following classes: Class 1-7

Benefit Reductions	We can help you meet your Age Discrimination in Employment Act (ADEA) responsibilities by extending coverage to all active employees, regardless of age. Benefits reduced for employees based on ages at time of accident according to the following schedule: 65% @ age 70, 45% @ age 75, 30% @ age 80
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Continuation of Insurance	Family Medical Military Leave (12 weeks)
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Additional Benefits:

Seatbelt and Airbag Benefit	Covered Person dies directly and independently of all other causes from a Covered Accident while wearing a seatbelt and riding in a private passenger automobile. If seatbelt benefit is payable, an additional benefit is provided if Covered Person was also positioned in a seat protected by a properly – functioning and properly deployed Supplemental Restraint System Airbag. Seatbelt: Additional 25% of the principal sum to a maximum of \$25,000
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Special Education Benefit III (Child & Spouse)	Airbag: Additional 10% of the principal sum to a maximum of \$5,000 Surviving Dependent Child: We will pay the Benefit below for each qualifying Dependent Child of a Covered Person whose death resulted from a Covered Accident, if the child enrolls as a full-time student at an accredited school of higher learning, continues his education as a full-time student and incurs expenses for tuition, fees, books, room and board, transportation and any other costs payable directly to, or approved and certified by, such school. Additional 5% of Principal Sum, up to a maximum of \$5,000 per year for up to 4 years If no dependent child qualifies we will pay the following default amount: \$1,000 Surviving Spouse: We will pay the Benefit below for each qualifying Surviving Spouse of a Covered Person whose death resulted from a Covered Accident, if the spouse enrolls in any accredited school for purpose of retraining or refreshing skills needed for employment within 365 days of the Covered Accident, continues studies in such accredited school and incurs expenses payable directly to, or approved by, such school. Additional 3% of Principal Sum, up to a maximum of \$3,000 per year for up to 4 years If no dependent spouse qualifies we will pay the following default amount: \$1,000
Beneficiary Designation	Recognize Prior Beneficiary Designations or Pay According to Succession Schedule (if no beneficiary has been designated)

BASIC ACCIDENT RATE SUMMARY

Number of Eligible Lives: 278

Coverage	Estimated Volume	Rate/\$1,000	Estimated Monthly Cost
Total:	\$29,077,500	\$0.025	\$727

**Premium rates are guaranteed for 36 months provided that the first year premium exceeds \$1,200.
Rate guarantee is subject to all provisions of the policy including the policy's termination provisions.
Rates are only valid if the product is sold as part of this package**

Included Cigna Programs and Services*
• Identity Theft - provides identity theft prevention and resolution services, including access to personal case managers who provide assistance and guidance as well as education and tools to help prevent identity theft in the future. • CignaWillCenter.com - online access to state-specific legal documentation for wills and powers of attorney, and valuable resources for estate and funeral planning • Healthy Rewards® - provides discounts on a variety of health and wellness products and services. • Cignasurance® - provides beneficiaries access to a free, interest-bearing account for claim payments of \$5,000 or more, and support from expert resources in financial, legal, and behavioral health services. Cignasurance counseling, legal or financial assistance programs are not available under policies insured by Cigna Life Insurance Company of New York. • Cigna Secure Travel® - provides pre-trip planning, assistance while traveling, and unlimited medical evacuation and repatriation benefits when traveling 100 miles or more from home. • My Secure Advantage™ - offers customers with approved disability claims (and their household members) access to expert "money coaching" for all types of financial challenges.

***These programs are NOT insurance and do not provide reimbursement for financial losses.** Program availability may vary by plan type and location and is subject to change. Employees are required to pay the entire discounted charge for any discounted products or services available through these programs. Programs are provided through third party vendors who are solely responsible for their products and services. Presented here are only the highlights of these programs. Full terms, conditions and exclusions are contained in the applicable client program description and/or vendor service agreement.

Quality Service and Simplified Administration

- **Dedicated Account Managers** to oversee plan design effectiveness; provide ongoing consultative analysis and make recommendations to optimize productivity/minimize costs.
- **Dedicated Implementation Coordinators** to help ensure easy plan setup, answer questions, resolve issues and drive employee awareness and education through marketing and communications.
- **Dedicated Clinical and Expert Resources** which includes over 800 disability claim managers in four offices, 80 medical professionals, 9 medical directors, 35 vocational professionals, 65+ intake specialists and access to over 1,100 nurses and 500 doctors representing over 40 clinical specialties.
- **Comprehensive Reporting and Online Tools** to help make informed decisions and manage costs.
- **Verbal Authorization and Telephonic Intake** - Employees calling to report a disability claim can provide authorization to access medical information using a secure, confidential interactive voice response system, which allows for faster disability claim processing.
- **Pre-disability Vocational Services** - help employees with physical/psychological limitations that are at increased risk of a disability get the support they need to stay productive and on the job.
- **Social Security Advocacy** - program offers expert resources to help qualified employees apply and be approved for Social Security Disability Insurance.
- **Cigna's "Work Wellness" Website** <http://www.cigna.com/workwellness> is an online resource for customers which includes useful information on disability and return to work, general information on family medical leave, managing their particular health condition at work and more.

Disability Contract Features

- **Return to Work Incentive Benefit**
For the first 24 months of the benefits payable - allows an individual through a combination of work earnings and disability benefit, the potential to obtain 100% of pre-disability income.
- **Use of Trial Work Days**
Cigna offers an unlimited Number of days an employee can attempt to return to work without extending the elimination period.
- **Rehabilitation Program**
Rehabilitation expenses (which can include expenses for medical, education, moving, family care or other) are paid for at Cigna's discretion. No rehabilitation expense cap exists in our contract.
- **FICA Services**
Cigna offers three level of service for Employer Paid business - Self-report and pay, FICA reimbursement and FICA match - to accommodate the specific needs of our disability clients.
- **Integration With Other Income Sources Benefits are Reduced by Amounts Paid by the Following:**
 - Social Security with other government retirement and disability programs
 - Sick, Administrative, Comp, leave pay, Vacation/Annual pay, or salary continuance paid by the Employer equal to 100% of salary. No offset for the partial use of accrued leave (Sick, Administrative, Comp, leave, Vacation/Annual pay) to bring employees to 100% of their salary in conjunction with the disability benefit.
 - Mandatory "no fault" auto wage loss
 - Employer-funded retirement benefits (excludes 401(k) and supplemental plans)
 - Franchise or group disability plans
 - Worker's compensation - No offset for a workers' compensation award
 - Damages for wage loss payable by third parties
 - Income from employment (subject to return to work incentive)(Government and worker's compensation subject to assumed receipt)
- **Maximum Benefit Period**
This is the maximum length of time for which we will pay Disability Benefits to a disabled employee. Benefit payments may end earlier if the employee no longer qualifies under the terms or conditions of this policy.



The later of the Employee's SSNRA* or the Maximum Benefit Period listed below.

Age at Start of Disability

age 62 or younger
age 63
age 64
age 65
age 66
age 67
age 68
age 69 or older

Maximum Benefit Duration

the employee's 65th birthday or the 42nd monthly disability benefit
the 36th monthly disability benefit
the 30th monthly disability benefit
the 24th monthly disability benefit
the 21st monthly disability benefit
the 18th monthly disability benefit
the 15th monthly disability benefit
the 12th monthly disability benefit

Life Contract Features

Extended Death Benefit with Waiver of Premium:

- We provide up to 12 months of premium-free continued life insurance coverage for disabled employees - even if they're attempting to return to work
- We also provide up to 18 months of additional premium-free coverage if the employee is participating in a rehabilitation program. And if the employee is too sick to fully work again, Cigna's life insurance coverage will continue subject to the waiver of premium and continuation provisions quoted

"Linked waiver"

Automatically starts the claim process to see if the customer qualifies for Term Life premiums to be waived while they're out on disability (requires Cigna Disability coverage)

Conversion

Included

Portability

Employees have the option to port their Basic and Voluntary Group Term Life coverage at pooled port rates listed below.

Age	Rate
<20	\$0.153
20-24	\$0.144
25-29	\$0.153
30-34	\$0.177
35-39	\$0.190
40-44	\$0.243
45-49	\$0.384
50-54	\$0.726
55-59	\$1.347
60-64	\$2.461
65-69	\$4.065

Rates for ported insureds are based on the company's pooled experience for ported certificates and are higher than active employee rates. Rates for ported insureds are renewed annually and are not subject to any rate guarantee proposed for active employees. Ported coverage ends at age 70.

AD&D Contract Features

- **AD&D Conversion** - available up to age 70; to a maximum of \$250,000.

Accident Exclusions

In addition to any benefit-specific exclusions, benefits will not be paid for any Covered Injury or Covered Loss which, directly or indirectly, in whole or in part, is caused by or results from any of the following unless coverage is specifically provided for by name in the Description of Benefits Section:

1. intentionally self-inflicted Injury, suicide or any attempt thereat while sane or insane;
2. commission or attempt to commit a felony or an assault;
3. commission of or active participation in a riot, insurrection or Terrorist Act;

4. declared or undeclared war or act of war;
5. flight in, boarding or alighting from an Aircraft or any craft designed to fly above the Earth's surface:
 - a. except as a fare-paying passenger on a regularly scheduled commercial airline;
 - b. being flown by the Covered Person or in which the Covered Person is a member of the crew;
 - c. being used for:
 - i. crop dusting, spraying, seeding, giving flying instruction, receiving flying instruction, firefighting, sky writing, sky diving, hang gliding, pipeline inspection, power line inspection, aerial photography, aerial exploration, racing, endurance tests, stunt, acrobatic flying or
 - ii. any operation that requires a special permit from the FAA, even if it is granted (this does not apply if the permit is required only because of the territory flown over or landed on)
 - d. designed for flight above or beyond the earth's atmosphere;
 - e. an ultra-light or glider;
 - f. being used for the purpose of parachuting or skydiving;
 - g. being used by any military authority, except an Aircraft used by the Air Mobility Command or its foreign equivalent;
6. Travel in any Aircraft owned, leased or controlled by the Policyholder, Subscriber, or any of its subsidiaries or affiliates. An Aircraft will be deemed to be "controlled" by the Policyholder, Subscriber if the Aircraft may be used as the Policyholder, Subscriber wishes for more than 10 straight days, or more than 15 days in any year;
7. A Covered Accident that occurs while on active duty service in the military, naval or air force of any country or international organization. Upon Our receipt of proof of service, We will refund any premium paid for this time. Reserve or National Guard active duty training is not excluded unless it extends beyond 31 days;
8. the Covered Person's intoxication as determined according to the laws of the jurisdiction in which the Covered Accident occurred;
9. Voluntary ingestion of any narcotic, drug, poison, gas or fumes, unless prescribed or taken under the direction of a Physician and taken in accordance with the prescribed dosage;
10. Sickness, disease, bodily or mental infirmity, bacterial or viral infection or medical or surgical treatment thereof, except for any bacterial infection resulting from an accidental external cut or wound or accidental ingestion of contaminated food.

PROPOSAL PROVISIONS

- **This is not a contract...**
This proposal outlines some of the important features of the proposed group insurance program. The controlling provisions will be in the group insurance policy, and this proposal is not intended in any way to modify the provisions or their meanings.

If you decide to purchase the plan proposed here, we will send you a policy that fully describes all of the provisions of the group disability, term life or AD&D insurance coverage to which you and Life Insurance Company of North America (Cigna) have agreed.

To accept the terms of this proposal, you must notify Cigna of your acceptance by that date, and pay premium equal to the Total Basic Estimated Monthly Cost on the Schedule of Benefits Summary. This proposal may be withdrawn by Cigna at any time before acceptance.
- **Eligibility**
Cigna's eligibility requirements assume that employees are working on a full-time basis, and citizens of the United States, and working in the United States. Part-time, seasonal, temporary, contracted, leased or severed employees are not eligible, unless otherwise noted.
- **Policy on Rate Changes**
The rates and fees quoted within the proposal are based on information furnished to Cigna for the purpose of developing a proposal of group insurance. Cigna has assumed that the demographic and plan design information provided will be an accurate representation of your company at the time of implementation. Premium rates are guaranteed as noted in the product schedule of benefits. These rates and the guarantee assume that the number of eligible or insured employees does not change by more than 15% from the date of the census provided.
- **Policy on Contractual Language**

Cigna's contract language will be used without modification. Cigna will attempt to match the intent of disclosed policy provisions at the time of quote, but will not duplicate the existing policy language.

- **Medical Underwriting Status**

Medical Underwriting Activity Status Reports are sent to the location(s) designated by the employer and are typically distributed on a monthly basis. If online Medical Evidence of Insurability is quoted, Medical Underwriting Activity Reports (reporting status of medically underwritten coverage) are sent electronically to the employer and are typically distributed on a weekly basis.

- **Producer Compensation**

Cigna may have entered into, or may enter into, agreements with brokers, under which the insurance company compensates brokers for providing marketplace intelligence and other services intended to enhance the effectiveness of the insurance company's business. Cigna may also invite brokers to participate in events sponsored by the insurance company for the same purposes.

Any compensation paid may be based on meeting targets for new business production and persistency, and, if paid, is funded from the insurance company's overhead and is based on the broker's overall book of business with the insurance company. Any such payments are separate from commissions and, if applicable, will be included in ERISA Form 5500, Schedule A information provided by the insurance company.