

Decide Today To Protect Tomorrow[®]

Proposal Prepared for:
Association of the Wall and Ceiling Industries

Presented by:
Jim Smallwood

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 **American Public Life
Insurance Company**
A member of the American Fidelity Group,

December 12, 2013

Policy provisions apply only to Colorado

Proposal is based on information provided to American Public Life and is valid for 60 days from the date proposed. Final rates and benefits are subject to verification of data on which this is based.

G-108 Long Term Disability Income Insurance Proposal – Association of the Wall and Ceiling Industries

Proposal Assumptions:	Standard Industry
Employer State:	Colorado
Dated Prepared:	December 12, 2013
Disability Income	Pays a monthly income when the Insured is totally disabled and unable to work due to a covered Accident or Sickness, following satisfaction of the elimination period.
Monthly Disability Income Benefit	Elected by the employee in an amount between \$300 and \$7,500 monthly, not to exceed 60% of the employee's covered monthly salary. The monthly premium and the monthly benefit will be based on the plan selected at the time of application and the requested monthly indemnity or amount approved by the Company, if different. The employee's monthly benefit will be reflected on their application which accompanies the Certificate.
Eligible Employee	All active full-time employees working 20 hours or more per week who have satisfied the employer's Waiting Period for eligibility, which shall be no less than 90 days from date of hire.
Age at Entry	Premiums are based on age at entry and do not increase solely with attained age.
Issue Requirements	Eligibles: 5-99 Requires a minimum of 5 acceptable applications to issue.
	Eligibles: 100+ Requires a minimum of 10 acceptable applications to issue.
Rate Guarantee	2 Years
Increases at Re-enrollment	At the annual re-enrollment, existing Insured may increase their monthly indemnity up to \$200 without evidence of insurability. Increases in excess of \$200 will be Subject to Insurability. The amount of the increase will be subject to a new pre-existing limitation, and the total indemnity amount may not exceed 60% of income.
Guaranteed Issue (GI) Requirements	Eligibles: 5-9 Groups with 5-9 eligible Insured's will be issued Subject to Insurability based upon all health questions on the application. New employees may enroll upon satisfaction of the Waiting Period within 13 months of the application date, or until the first available enrollment opportunity following the Waiting Period, whichever first occurs.
	Eligibles: 10-99 Requires the greater of 25% participation or 10 acceptable applications for indemnity amounts up to \$3,000. Indemnity amounts over \$3,000 will be Subject to Insurability based on all health questions on the application. New employees may enroll upon satisfaction of the Waiting Period within 13 months of the application date, or until the first available enrollment opportunity following the Waiting Period, whichever first occurs.
	Eligibles: 100+ Requires 25% participation for indemnity amounts up to \$3,000. Indemnity amounts over \$3,000 will be Subject to Insurability based on all health questions on the application. New employees may enroll upon satisfaction of the Waiting Period within 13 months of the application date, or until the first available enrollment opportunity following the Waiting Period, whichever first occurs.

Benefit Design Options

		<u>Option 1</u>
Elimination Period	Accidental Injury	180 Days
	Sickness	180 Days
Benefit Duration	Accidental Injury	To Age 65
	Sickness	5 Years

	<u>Issue Age</u>	
Monthly Rates (per \$100 of Covered Monthly Benefit)	18-39	\$1.02
	40-49	\$1.54
	50-59	\$2.98
	60+	\$3.68

For a Maximum Benefit Period of "to age 65," benefits will be payable for up to the period of time specified below, based on the Insured's age as of the date benefits begin: Age 59 or younger– max benefit period is to age 65; Age 60 through 64 – max benefit period is 5 years; Age 65 through 68– max benefit period is to age 70; and Age 69 or older– max benefit period is 1 year.

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Total Disability	During the first 24 months for which disability benefits are payable, the Insured is considered totally disabled if unable to perform the material and substantial duties of his or her employment as a result of a covered Accident or Sickness. After that, Total Disability means the Insured is unable to perform the material and substantial duties of any occupation for which he or she is reasonably qualified by training, education, or experience.
Successive Disabilities	Disabilities which result from the same or related causes will be considered one period of disability unless the disabilities are separated by the Insured's return to Active Service for at least three consecutive months.
Minimum Benefit	In no event will the disability income benefit be reduced to less than \$100 per month.
Waiver of Premium	If an Insured is totally disabled due to a covered Accident or Sickness, premiums are not required beginning the first of the calendar month following the later of satisfaction of the Elimination Period; or 90 days of continuous Total Disability; or the first date Total Disability benefits are payable.
Return to Work-Partial Disability Benefit	A partial disability benefit allows an Insured to return to work part-time or full-time (if unable to do one or more duties) from a covered disability and remain eligible for benefits up to 3 months. The partial disability benefit is equal to 50% of the disability benefit reduced by a portion of his or her salary earned and other income, not to exceed 60% of the pre-disability salary.
Survivor Benefit	If the Insured dies while receiving disability benefits; and has been totally disabled for at least 180 consecutive days, a survivor benefit will be paid to his or her beneficiary or estate. The survivor benefit will be paid in a lump sum and will be equal to three times the disability benefit for which the Insured is eligible.
Adjustments to the Disability Benefit	Disability benefits paid to the Insured will be reduced by the payments the Insured and his or her dependents are entitled to receive from: group insurance coverage; Federal Social Security Act; state or federal government disability or retirement plans or increases which begin on or after the date of Total Disability; employer-sponsored pension plans; employer-sponsored salary or wage continuance plans which extend beyond the 180 calendar days of Total Disability; and Federal Old Age Benefits under the Federal Social Security Act on his or her own behalf. Federal Social Security increases which take effect after the monthly disability benefits become payable will not further reduce benefits under this plan.
Alcohol or Drug Benefit	If an Insured becomes totally disabled due to alcoholism or drug addiction, we will pay a disability benefit up to 15 days in any 12 month period.
Mental Illness Benefit	If an Insured becomes totally disabled due to mental illness, regardless of the cause, disability benefits will be paid up to 24 months provided the Insured is under the regular care and attendance of a Physician.
Exclusions	No benefit will be paid for any loss for Accident or Sickness, fatal or non-fatal, which results from: an intentionally self-inflicted injury while sane or insane; an act of war, declared or undeclared; Accident sustained or Sickness contracted while in the service of the armed forces; committing a felony; acting as a pilot or crew member or performing any duty of the Insured's occupation connected with such flight; any occupation for wage or profit; or any period in which the Insured is incarcerated.
Pre-Existing Conditions	<p>A pre-existing condition is a disease, Accident or Sickness for which the Insured: had treatment; incurred expense; took medication; or received a diagnosis or advice from a physician, during the 12-month period immediately before the effective date of his or her coverage. The term Pre-Existing Condition will also include conditions that are related to such disease, Accident or Sickness. There will be no disability benefit payable for Total Disability due to a pre-existing condition commencing before the Insured has been continuously covered under the policy for one year.</p> <p>No consideration will be given to prior group disability income coverage in determining the effect of pre-existing conditions on benefits payable.</p>

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