

Group Term Life

Benefits Proposal

This proposal has
been prepared for:
East Tennessee Rent-Alls

Presented by:
Aflac

Proposal State:
TN

Presentation Date:
12/8/2020

Expires:
90 Days

Notices

This proposal is a brief description of coverage, not a contract. Read your policy, certificate, and riders (as applicable) carefully for exact plan language, terms, and conditions.



Plan Summary | Group Term Life

Policy Effective Date: 1/1/2021 Rate Guarantee: 1/1/2023 Proposal Expiration Date: 3/8/2021

Commissions: Flat 20%

SIC: 7353

Situs State: TN

Base Life and Basic AD&D Eligibility

Class 1: President/Treasurer working 30 or more hours per week.

Waiting Period: FOTM following 30 days

Class 2: Managers working 30 or more hours per week.

Waiting Period: FOTM following 30 days

Class 3: All Other FT EE's working 30 or more hours per week.

Waiting Period: FOTM following 30 days

Plan Description – Basic Employee Life

Division 1	Class 1	Class 2	Class 3
Definition Of Earnings	Base Salary	Base Salary	Base Salary
Benefit Type	Flat	Flat	Flat
Flat Benefit Amount	\$32,500	\$50,000	\$25,000
Minimum Benefit Amount	\$1,000	\$1,000	\$1,000
Guarantee Issue Limit	\$32,500	\$50,000	\$25,000
Basic Maximum	\$32,500	\$50,000	\$25,000
Reduction Schedule	To 65% @ 65; To 50% @ 70; To 25% @ 75	To 65% @ 65; To 50% @ 70; To 25% @ 75	To 65% @ 65; To 50% @ 70; To 25% @ 75
Contributory	No	No	No
Contributory Type	Eligible	Eligible	Eligible
EE Participation %	100%	100%	100%
EE Contributory %	0%	0%	0%
WOP Applies	Yes	Yes	Yes
WOP Qualifying Age Limit	Age 60	Age 60	Age 60
WOP Elimination Period	9 Months	9 Months	9 Months
WOP Definition Of Disability	Any Occ	Any Occ	Any Occ
WOP Benefit Termination Age	To Age 65	To Age 65	To Age 65
Accelerated Benefit Applies	Yes	Yes	Yes
Accelerated Benefit %	80%	80%	80%

Accelerated Benefit Max	\$500,000	\$500,000	\$500,000
Accelerated Benefit Life Expectancy	12 Months	12 Months	12 Months
Continuity Of Coverage	Yes	Yes	Yes
Suicide Exclusion	No	No	No
Portability	None	None	None

Plan Description – Basic Employee AD&D

Division 1	Class 1	Class 2	Class 3
Definition Of Earnings	Base Salary	Base Salary	Base Salary
Benefit Type	Flat	Flat	Flat
Flat Benefit Amount	\$32,500	\$50,000	\$25,000
Minimum Benefit Amount	\$1,000	\$1,000	\$1,000
Basic Maximum	\$32,500	\$50,000	\$25,000
Reduction Schedule	To 65% At 65, To 50% At 70, To 35% At 75	To 65% At 65, To 50% At 70, To 35% At 75	To 65% At 65, To 50% At 70, To 35% At 75
Contributory	No	No	No
Contributory Type	Eligible	Eligible	Eligible
EE Participation %	100%	100%	100%
EE Contributory %	0%	0%	0%
Occupational Coverage	24 Hour	24 Hour	24 Hour
Covered Losses	With Plegias	With Plegias	With Plegias
Additional Benefits	Standard	Standard	Standard
Common Carrier	No	No	No

Cost Summary – Base Employee Life

	Rate Per \$1,000	Volume	Monthly Premium
Proposed Rate	0.250	\$1,607,500	\$401.88

Cost Summary – Base Employee AD&D

	Rate Per \$1,000	Volume	Monthly Premium
Proposed Rate	0.016	\$1,607,500	\$25.72

Plan Features | Group Term Life

Earnings Definition	<p>ANNUAL EARNINGS means your gross annual income received from your Employer just prior to the date of death [or covered loss]. It includes your total income before taxes and any deductions made for pre-tax contributions to a qualified deferred compensation plan, Section 125 plan, or flexible spending account. It does not include income received from commissions, bonuses, overtime pay, any other extra compensation, or income received from sources other than your Employer.</p> <p>Earnings, whether for a full year or partial year, will be converted to an annual amount for the purpose of calculating the benefit amount.</p>
Accelerated Benefits	<p>Terminally ill employees may access a portion of their death benefit while they are alive.</p>
Waiver of Premium Benefit	<p>Waiver of premium benefits protect employees who are totally disabled as defined by the policy and who meet age requirements.</p>
Portability	<p>In states that allow portability, groups receive it as a standard feature for supplemental life insurance coverage. When coverage ends for reasons other than sickness, injury, retirement, or termination of the employer's plan, employees can apply for portability coverage. Evidence of insurability is not required when the amount of portability coverage remains the same.</p>
Conversion	<p>When coverage terminates or the amount of coverage has reduced, the insured can convert to an individual Whole Life policy without having to provide evidence of insurability. The insured can apply for any amount of coverage up to but not exceeding the amount the insured had under your group plan.</p>

Plan Features | Group Term AD&D Insurance

Accidental Death and

Provides a benefit in the event of a death and dismemberment as a direct result of an accident.

Dismemberment (AD&D)

If an insured suffers a covered accidental injury or death, AD&D insurance will provide the insured or their beneficiary with a payment based on your coverage amount. Potential benefits for covered losses due to accidental injuries include loss of speech/hearing and loss of the use of a limb, thumb, or index finger. Many optional benefits can be included for example: Seat Belt, Air Bag, Child Care Expense, and Spouse Education.

AD&D Additional Benefits

STANDARD
Seatbelt & Air Bag
Child Care Expense
Child Education
Spouse Education
Repatriation
Elder Care

AD&D Covered Losses

ACCIDENTAL DEATH AND DISMEMBERMENT	BENEFIT AMOUNT
Loss of Life	The Full Amount
Loss of Both Hands or Both Feet or Loss of Sight of Both Eyes	The Full Amount
Loss of One Hand and One Foot	The Full Amount
One Hand or One Foot and Loss of Sight Of One Eye	The Full Amount
Loss of Speech and Loss of Hearing in Both Ears	The Full Amount
Loss of One Hand or One Foot	One Half the Full Amount
Loss of One Leg or One Arm	One Half the Full Amount
Loss of Sight of One Eye	One Half the Full Amount
Loss of Speech or Hearing in Both Ears	One Half the Full Amount
Quadriplegia (total and irreversible paralysis of all four limbs.)	The Full Amount
Triplegia (total and irreversible paralysis of three limbs)	Three-Quarters the Full Amount
Paraplegia (total and irreversible paralysis of both lower limbs)	Three-Quarters the Full Amount
Hemiplegia (total and irreversible paralysis of both limbs on either side of the body; i.e. the right arm and right leg or the left arm and left leg)	One-Half the Full Amount
Uniplegia (total and irreversible paralysis of one limb)	One-Quarter the Full Amount

Proposal Assumptions | Group Term Life Insurance

- Eligibility includes employees who are US citizens or legal residents, living working in the US. Temporary, seasonal, leased, and contracted (1099) employees are not eligible for coverage.
- Standard policy language is included for quoted plan provisions. State variation will apply.
- This document is not part of any legal contracts or group certificate.
- Premium/Benefit is payable in US currency.
- Spouse coverage is billed based on the employee's date of birth.
- Child Life and AD&D rates are based upon one dependents volume amount regardless of the number of dependents.
- Employees must be actively at work on the effective date of the policy for coverage to be effective. For employees not actively at work on the effective date, coverage will be effective when the employee returns to active employment.
- This proposal is based on submitted data. Any changes to this data will allow us to modify the proposal. Final rates are based on updated census provided at time of sale. Rates may be adjusted if enrollment shifts by more than 10%.
- For contributory coverage, an enrolled census must be provided at time of sale and participation requirements must be met. Failure to meet participation requirements may result in this proposal being altered or withdrawn.
- For contributory coverage, evidence of insurability is required for late entrants.
- Guarantee issue limits apply to new and takeover amounts of coverage for employees, spouses, and children.
- AD&D is 24 hour coverage.
- AD&D benefit amounts are equal to life benefit amounts.
- This proposal assumes there is a direct common law employer-employee relationship.
- Claims incurred prior to the effective date of the policy are the liability of the prior carrier
- Quote assumes a fully insured, non-participating, non-dividend eligible funding arrangement.

Exclusions | Group Term Life Insurance

The following exclusions may apply, depending on the benefit provisions proposed:

Life Insurance Suicide Exclusion

The policy does not cover any losses where death is caused by, contributed to by, or results from:

- Suicide, while sane or insane, occurring within 24 months after an insured person's initial effective date of coverage; and
- Suicide, while sane or insane, occurring within two years after the date any increases in or additional coverage applied for becomes effective for an insured person.

The suicide exclusion will apply to Life insurance for which the employee pays all or part of the premium. The suicide exclusion also will apply to any amount of coverage that is subject to evidence of insurability requirements and we approve the Evidence of Insurability Form and the amount applied for at that time.

The suicide exclusion will not apply to a Life insurance amount on an insured person that has remained in effect for a continuous period of two or more years during an insured person's lifetime under the employer's policy or plan, including this policy and an employer's policy or plan that this policy replaced.

Our liability will be limited to a return to the beneficiary of all premiums paid by the employee and a return to the policyholder of all premiums paid by the policyholder.

If an insured person commits suicide within two years from the date an increase in coverage applied for becomes effective, we will pay to the beneficiary the amount of coverage that was in effect before the increase, subject to all of the policy provisions. Any premium paid by the employee for the increase will be returned to the beneficiary, any premium paid by the policyholder will be returned to the policyholder.

Accidental Death and Dismemberment Benefit Exclusions

The policy does not cover:

- Loss caused or contributed to by disease or infirmity of mind or body, or medical or surgical treatment for such disease or infirmity;
- An infection not occurring as a direct result or consequence of accidental bodily injury;
- Loss caused or contributed to by attempted suicide, while sane or insane;
- Loss caused or contributed to by intentionally self-inflicted harm, while sane or insane;
- Loss caused or contributed to by travel in or descent from an aircraft, if the insured person acted in a capacity other than as a passenger;
- Loss caused or contributed to by travel in an aircraft or device used for testing or experimental purposes; used by or for any military authority, used for travel beyond the earth's atmosphere;
- Loss caused or contributed to by war or act of war;
- Loss caused or contributed to by active participation in a riot, insurrection; or terrorist activity;
- Loss occurring while an insured person is incarcerated;
- Loss caused or contributed to by committing or attempting to commit a felony;
- Loss caused or materially contributed to by voluntary intake or use by any means of:
 - Any drug, unless:
 - Prescribed or administered by a doctor and taken in accordance with the doctor's instructions; or
 - An over the counter drug, taken in accordance with the instructions.
 - Any poison, gas or fumes, unless a direct result of an occupational accident;
- Loss caused or contributed to being intoxicated as defined by the jurisdiction where the accident occurred;
- Loss caused or contributed to by riding or driving an air, land or water vehicle in a race;
- Loss caused or contributed to by speed or endurance contest;
- Loss caused or contributed to by bungee jumping;
- Loss caused or materially contributed to by participation in an illegal occupation or activity;
- Loss caused or contributed to by rock or mountain climbing; and
- Loss caused or contributed to by aeronautics (hang-gliding, skydiving, parachuting, and ultralight, soaring, ballooning and parasailing).

Notices | Group Term Life Insurance

This proposal is a brief description of coverage, not a contract. Read your policy and riders (as applicable) carefully for exact plan language, terms, and conditions.

The rates within this quote are based on offering the group life on a standalone basis without any voluntary products. The expectation is another voluntary line will be added at re-enrollment.

If this coverage will replace any existing individual policy, please be aware that it may be in your employees' best interest to maintain their individual guaranteed-renewable policy.

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Continental American Insurance Company | Columbia, South Carolina