



Group Insurance Proposal

PROPOSAL FOR: City of Arkansas City

Group Life and AD&D

Voluntary Group Life

Group Short Term Disability

Group Long Term Disability

EFFECTIVE DATE: January 1, 2024

PROPOSAL PRESENTATION BY: Marc Homan

(316) 841-0541

This proposal is not intended as a contract. Contract provisions, exclusions, limitations, and reductions will be subject to US Alliance Life and Security Company standard provisions. If there is any conflict between this proposal and a subsequently issued group contract, the contract will prevail. The provisions of any contract we may issue will comply with Kansas insurance laws and regulations as applicable. The agent/broker does not have authority to bind nor modify the terms of this offer without prior written approval of US Alliance Life and Security Company. The proposed rates are based on the accuracy of the data submitted and include the plan design, qualifications and assumptions as specified herein, assuming US Alliance standard contract language and definitions. We reserve the right to modify the plan design and/or rates as deemed appropriate by US Alliance if the proposed qualifications or assumptions are incorrect or if the plan design is modified.

Prepared By: 117

Coverage Summary:

Group Life and AD&D

Option 1

Class Description: All Full Time Employees

Plan Design: \$10,000 Life and AD&D

Rate Guarantee – Initial 36 Months

Rate Summary:

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<u>Coverage</u>	<u>Lives</u>	<u>Volume</u>	<u>Monthly Rate</u>	<u>Monthly Cost</u>
Basic Life	126	\$1,231,000	\$0.20	\$ 246.20
AD&D	126	\$1,231,000	\$0.03	\$ 36.93
Total Monthly Premium:				\$ 283.13

Option 2

Class Description: All Full Time Employees

Plan Design: \$15,000 Life and AD&D

Rate Guarantee – Initial 36 Months

Rate Summary:

<u>Coverage</u>	<u>Lives</u>	<u>Volume</u>	<u>Monthly Rate</u>	<u>Monthly Cost</u>
Basic Life	126	\$1,846,500	\$0.20	\$ 369.30
AD&D	126	\$1,846,500	\$0.03	\$ 55.40
Total Monthly Premium:				\$ 424.70

Option 3

Class Description: All Full Time Employees

Plan Design: \$20,000 Life and AD&D

Rate Guarantee – Initial 36 Months

Rate Summary:

<u>Coverage</u>	<u>Lives</u>	<u>Volume</u>	<u>Monthly Rate</u>	<u>Monthly Cost</u>
Basic Life	126	\$2,462,000	\$0.19	\$ 467.78
AD&D	126	\$2,462,000	\$0.03	\$ 73.86
Total Monthly Premium:				\$ 541.64

Option 4

Class Description: All Full Time Employees

Plan Design: \$25,000 Life and AD&D

Rate Guarantee – Initial 36 Months

Rate Summary:

<u>Coverage</u>	<u>Lives</u>	<u>Volume</u>	<u>Monthly Rate</u>	<u>Monthly Cost</u>
Basic Life	126	\$3,077,500	\$0.19	\$ 584.73
AD&D	126	\$3,077,500	\$0.03	\$ 92.33
Total Monthly Premium:				\$ 677.06

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Coverage**

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Voluntary Group Life

Total Guarantee Issue Amount: \$150,000

*GI includes both employer paid and voluntary coverage

Employee: Increments of \$10,000 to \$250,000 Total Maximum Benefit

Spouse: Increments of \$10,000 to \$30,000 Total Maximum Benefit

Child: Increments of \$5,000 to \$10,000 Total Maximum Benefit

*Amounts include both employer paid and voluntary coverage

**Accept
Coverage**

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Cost Summary		Rates per \$1000 of Coverage		
Age Bands	Employee	Spouse	Child	
< 29	0.11	0.11	0.20	
30-34	0.11	0.11	-	
35-39	0.15	.015	-	
40-44	0.22	0.22	-	
45-49	0.38	0.38	-	
50-54	0.58	0.58	-	
55-59	0.84	0.84	-	
60-64	1.15	1.15	-	
65-69	1.90	1.90	-	
70-74	3.27	-	-	
75-79	5.39	-	-	
80 +	18.49	-	-	

Existing Coverage amounts will not require Evidence of Insurability

Minimum participation requirement is the greater of 25% or 5 employees

Spouse and Child Coverage is limited to 50% of employee's coverage

Spousal rate will be determined upon employee's age

Group Short Term Disability

Option 1:

Class Description: All Full Time Employees Excluding Police or Fire Employees

Plan Design: 60% of weekly salary to \$1,500 Maximum

Benefit Duration: 26 Weeks

Elimination Periods: 1 Days Accident/ 8 Days Sickness

Pre-Existing Condition: None

Rate Guarantee – Initial 36 Months

Rate Summary:

Lives	Volume (Weekly Covered Benefit)	Weekly Rate per \$10	Monthly Premium
69	\$38,216	\$0.323	\$1,234.38

Accept Coverage

Initial Here

Option 2:

Class Description: All Full Time Employees Excluding Police or Fire Employees

Plan Design: 60% of weekly salary to \$1,500 Maximum

Benefit Duration: 26 Weeks

Elimination Periods: 8 Days Accident/ 8 Days Sickness

Pre-Existing Condition: None

Rate Guarantee – Initial 36 Months

Rate Summary:

Lives	Volume (Weekly Covered Benefit)	Weekly Rate per \$10	Monthly Premium
69	\$38,216	\$0.302	\$1,154.13

Accept Coverage

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Option 3:

Class Description: All Full Time Employees Excluding Police or Fire Employees

Plan Design: 60% of weekly salary to \$1,500 Maximum

Benefit Duration: 26 Weeks

Elimination Periods: 1 Days Accident/ 15 Days Sickness

Pre-Existing Condition: None

Rate Guarantee – Initial 36 Months

Rate Summary:

Lives	Volume (Weekly Covered Benefit)	Weekly Rate per \$10	Monthly Premium
69	\$38,216	\$0.312	\$1,192.34

Accept Coverage

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Option 4:

Class Description: All Full Time Employees Excluding Police or Fire Employees

Plan Design: 60% of weekly salary to \$1,500 Maximum

Benefit Duration: 26 Weeks

Elimination Periods: 15 Days Accident/ 15 Days Sickness

Pre-Existing Condition: None

Rate Guarantee – Initial 36 Months

Rate Summary:

Lives	Volume (Weekly Covered Benefit)	Weekly Rate per \$10	Monthly Premium
69	\$38,216	\$0.276	\$1,054.77

Accept Coverage

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Group Long Term Disability

Option 1:

Class Description: All Full Time Employees Excluding Police or Fire Employees

Plan Design: 60% of monthly salary to \$5,000 Maximum

Benefit Duration: SSNRA

Elimination Period: 180 days

Pre-Existing Condition: 3/12

Rate Guarantee – Initial 36 Months

Rate Summary:

Lives	Volume (Monthly Covered Payroll)	Monthly Rate per \$100	Monthly Premium
69	\$272,247	\$0.260	\$707.84

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Option 2:

Class Description: All Full Time Employees Excluding Police or Fire Employees

Plan Design: 60% of monthly salary to \$7,000 Maximum

Benefit Duration: SSNRA

Elimination Period: 180 days

Pre-Existing Condition: 3/12

Rate Guarantee – Initial 36 Months

Rate Summary:

Lives	Volume (Monthly Covered Payroll)	Monthly Rate per \$100	Monthly Premium
69	\$276,534	\$0.271	\$749.41

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Plan Descriptions

Group Life

Conditions of Eligibility

You are eligible for group term life coverage if You are:

- legally working in the United States or working outside of the United States for a United States based Employer in a country or region approved by Us; and
- regularly working at least the number of hours in the normal work week set by the Employer (but not less than 30 hours per week) at: (1) the Employer's place of business; (2) some place where the Employer's business requires You to travel; or (3) any other place You and the Employer have agreed upon for the performance of occupational duties.

You are **not** eligible for group term life coverage if You are:

- A temporary or seasonal Employee; or
- An Employee for whom, pursuant to a collective bargaining agreement, the Employer makes any payments to any kind of health and welfare benefit plan other than under this Plan.

The Waiting Period for Employee Group Term Life Insurance

If You are in an eligible class on the effective date, You are eligible for Employee group term life insurance under this Plan as of that date.

If You enter an eligible class after the effective date, You are eligible for such coverage after You complete the service waiting period, if any.

Reduction of Group Term Life Insurance Amount Based on Age

Age Reduction Table	
Employees age 65-69	Reduced to 65% of initial coverage
Employees age 70-74	Reduced to 50% of initial coverage
Employees age 75+	Reduced to 25% of initial coverage

Waiver of Premium Benefit

You must: (1) become Totally Disabled before You reach age 60 and while insured by this Plan; and (2) remain totally disabled for at least nine months in a row.

Your Waiver of Premium benefit will end on the earliest of: (1) the date You are no longer Totally Disabled; (2) the date We ask You to be examined by Our doctor, and You refuse; (3) the date You do not give Us the proof of disability We require; (4) the date You are no longer receiving regular doctor's care appropriate to the cause of disability; or (5) the date You reach age 65.

If You die while covered for this benefit and while You are under age 65, We will pay Your beneficiary the amount of Group Term Life Insurance for which You were insured as of Your last day of active Full-Time work.

Eligible Dependents for Dependent Group Term Life Insurance

Your eligible dependents are Your: (1) spouse who is under age 70; and (2) unmarried dependent children who are 14 or more days old from birth until they reach age 26. We exclude any dependent who is on active duty in any armed force. And We exclude any dependent who is covered by this Plan as an Employee.

Group AD&D

Expiration Date of Rider

All Accidental Death and Dismemberment Benefits provided under this Rider will expire upon Your attainment of age 75.

Accidental Death and Dismemberment Benefit

If You sustain an Accidental Injury which results in any of the following Losses within of the date of accident, and the accident occurs while You are covered under this benefit, We will pay the amount of Principal Sum, or a portion of such Principal Sum, as shown opposite the Loss after We receive Proof of Loss. This benefit will be paid according to the general provisions of the Policy.

We will not pay more than the Principal Sum for all losses due to the same accident. Your amount of Principal Sum is shown above.

For Loss Of	Benefit
Life	Principal Sum
Both Hands or Both Feet or Sight of Both Eyes	Principal Sum
One Hand and One Foot	Principal Sum
Speech and Hearing in Both Ears	Principal Sum
Either Hand or Foot and Sight of One Eye	Principal Sum
Movement of Both Upper and Lower Limbs (Quadriplegia)	Principal Sum
Movement of Four Entire Limbs	Principal Sum
Movement of Both Lower Limbs (Paraplegia)	Three-Quarters of Principal Sum
Movement of Three Entire Limbs	Three-Quarters of Principal Sum
Movement of Three Limbs (Triplegia)	Three-Quarters of Principal Sum
Movement of Two Entire Limbs	Two-Thirds of Principal Sum
Movement of One Entire Limb	One-Half of Principal Sum
Movement of the Upper and Lower Limbs of One Side of the Body (Hemiplegia)	One-Half of Principal Sum
Either Hand or Foot	One-Half of Principal Sum
Sight of One Eye	One-Half of Principal Sum
Speech or Hearing in Both Ears	One-Half of Principal Sum
Movement of One Limb (Uniplegia)	One-Quarter of Principal Sum
Thumb and Index Finger of Either Hand	One-Quarter of Principal Sum

Loss means, with regard to:

- 1) hands and feet, actual severance through or above wrist or ankle joints;
- 2) sight, speech and hearing, entire and irrecoverable loss thereof;
- 3) thumb and index finger, actual severance through or above the metacarpophalangeal joints; or
- 4) movement, complete and irreversible paralysis of such limbs.

Entire Limb means with regard to:

- 1) the arm, the total areas from shoulder joint to finger tips; or
- 2) the leg, the total area from hip joint to toes.

Short Term Disability

Provisions:	Option 1	Option 2
Full Time Eligibility	30 Hours per Week	30 Hours per Week
Contribution Type	Non-Contributory	Non-Contributory
Employee Contribution Percentage	0%	0%
Benefit Percentage	60%	60%
Benefit Schedule Type	Percentage of Weekly Earnings	Percentage of Weekly Earnings
Maximum Weekly Benefit	\$1,500	\$1,500
Minimum Weekly Benefit	\$25	\$25
Illness Benefit Commencement	8 days	8 days
Accident Benefit Commencement	1 day	8 days
Maximum Duration of Benefits	26 Weeks	26 Weeks
Pre-Existing Conditions	None	None
First Day Hospital	Not Included	Not Included
Definition Of Disability	Partial Disability	Partial Disability
Recurrent Disability	15 days	15 days
Coverage Basis	Non-Occupational	Non-Occupational
Employer Participates in Workers Compensation	Yes	Yes
Offset Salary Continuation/Sick Leave	Dollar for Dollar	Dollar for Dollar
Pre-Existing Condition Limitation	None	None
Continuity of Coverage	Not Applicable	Not Applicable
Definition of Earnings	Regular rate of pay, not including bonuses, commissions, or any other form of compensation.	Regular rate of pay, not including bonuses, commissions, or any other form of compensation.
W-2 Reporting	Included	Included
FICA Match Services	Not Included	Not Included
Rate Guarantee	2 Years	2 Years
Enrollment Type	No Enrollment	No Enrollment
Participation Requirement	100%	100%
Family Medical Leave	Included	Included
Commissions	Standard Schedule	Standard Schedule

Short Term Disability

Provisions:	Option 3	Option 4
Full Time Eligibility	30 Hours per Week	30 Hours per Week
Contribution Type	Non-Contributory	Non-Contributory
Employee Contribution Percentage	0%	0%
Benefit Percentage	60%	60%
Benefit Schedule Type	Percentage of Weekly Earnings	Percentage of Weekly Earnings
Maximum Weekly Benefit	\$1,500	\$1,500
Minimum Weekly Benefit	\$25	\$25
Illness Benefit Commencement	15 days	15 days
Accident Benefit Commencement	1 day	15 days
Maximum Duration of Benefits	26 Weeks	26 Weeks
Pre-Existing Conditions	None	None
First Day Hospital	Not Included	Not Included
Definition Of Disability	Partial Disability	Partial Disability
Recurrent Disability	15 days	15 days
Coverage Basis	Non-Occupational	Non-Occupational
Employer Participates in Workers Compensation	Yes	Yes
Offset Salary Continuation/Sick Leave	Dollar for Dollar	Dollar for Dollar
Pre-Existing Condition Limitation	None	None
Definition of Earnings	Regular rate of pay, not including bonuses, commissions, or any other form of compensation.	Regular rate of pay, not including bonuses, commissions, or any other form of compensation.
W-2 Reporting	Included	Included
Rate Guarantee	2 Years	2 Years
Enrollment Type	No Enrollment	No Enrollment
Participation Requirement	100%	100%
Family Medical Leave	Included	Included
Commissions	Standard Schedule	Standard Schedule

Long Term Disability

	Option 1	Option 2
Minimum Hours Requirements	30 Hours per Week	30 Hours per Week
Coverage Basis	24 Hour Coverage	24 Hour Coverage
Elimination Period	180 Days	180 Days
Benefit Percent	60%	60%
Guarantee Issue Benefit	\$5,000	\$7,000
Minimum Monthly Benefit	Greater of 10.00% or \$100.00	Greater of 10.00% or \$100.00
Maximum Duration of Benefits	ADEA I with SSNRA	ADEA I with SSNRA
Definition of Disability	2 Years Regular Occ	2 Years Regular Occ
Earnings Test	80% / 60%	80% / 60%
Partial or Residual	Residual	Residual
Return to Work Incentive	12 months	12 months
Integration Method	Direct	Direct
Social Security Offset	Family	Family
Employer Participates in Workers Compensation	Yes	Yes
Rehabilitation Participation Requirement	Included	Included
Pre-Existing Condition Exclusion	3/12	3/12
Continuity of Coverage	Not Applicable, New Coverage.	Not Applicable, New Coverage.
Mental Illness Limitation	24 Months (Lifetime)	24 Months (Lifetime)
Substance Abuse Limitation	24 Months (Lifetime)	24 Months (Lifetime)
Survivor Income Benefit	3 Times Gross Benefit	3 Times Gross Benefit
Workplace Modification Benefit	Included	Included
Employee Participation Requirement	100%	100%
Contribution Type	Non-Contributory	Non-Contributory
Enrollment Type	No Enrollment	No Enrollment
W-2 Reporting	Included	Included
Rate Guarantee	2 years	2 years
Commissions	Standard Schedule	Standard Schedule

Proposal Assumptions and Qualifications

General

- Quote assumes coverage will become effective on 08/01/2023.
- Quote assumes a SIC Code of 9111.
- Quote assumes KS as the State of Situs of US Alliance standard filed contract language applies unless approved in advance.
- Proposed Rate(s) are valid until 10 days prior to effective date.
- Group must be in business for a minimum of one year to be eligible for benefits.
- Employees must be actively at work to become eligible. This policy does not replace or affect requirements for coverage by Workers' Compensation Insurance or State Disability insurance.
- If an employee is not actively at work on the day coverage would normally become effective, coverage for that employee will not go into effect until the day the employee returns to active full-time employment for the Policyholder, subject to any Takeover-provision as outlined in this proposal.
- Rates assume participation in Workers' Compensation Insurance plan.
- Evidence of insurability/proof of good health is required for applicants who apply for contributory/voluntary coverage more than 90 days after first becoming eligible.
- Minimum of 10 covered lives is required.
- Quote is based on the census presented and actual cost will be based on the data submitted at sold case time. Should there be any changes in the original data quoted – number of lives, class occupations, salaries, or other pertinent facts – the case will be subject to new underwriting to determine acceptability of the group, the policy provisions and the rate may be changed. This offer expires 31 days from the requested effective date.
- Disability claims are administered by Group Reinsurance Plus.
- Quote does not include coverage for any temporary, leased, contracted or seasonal employees.
- Definition of Earnings Regular rate of pay, not including bonuses, commissions, or any other form of compensation averaged over the last [2] years
- Coverage is written on a fully insured, non-participating, non-dividend eligible funding arrangement.
- US Alliance reserves the right to revise the Rate(s) or decline to offer coverage if the participation requirement is not met.
- Employer must notify US Alliance of any completed acquisition or merger.
- At any time during the rate guarantee period, US Alliance reserves the right to revise the Rate(s) for one or more of the following reasons:
 - More than a 10% change in the number of eligible employees, enrolled employees or covered volume;
 - Changes in state or federal insurance regulations or mandated benefits;
 - Changes in the sold plan design or employee eligibility from that proposed;
 - Material misstatement or misrepresentation of the information provided during the Request for Proposal (RFP) process, including but not limited to bid specifications, claims experience or inforce benefits.
- Quote assumes eligible employees are U.S. citizens or U.S. residents working in U.S. locations who have met the employee eligibility requirements. Requests for coverage of International employees must be approved in advance.
- Family members cannot comprise more than 50% of the insured employee population. Family members include father, mother, spouse and/or children.
- Quote assumes all claims incurred prior to the effective date will be the responsibility of the prior carrier.
- Unless otherwise noted, quote assumes a Traditional Evidence of Insurability (EOI) enrollment on any employee paid coverage.
- Quote assumes the employer has been in business for at least 2 years.

- Late entrants are required to provide Evidence of Insurability to enter into the plan at any coverage level/amount.
- If there are any union negotiated provisions, those provisions are not a part of this quote unless specifically stated in this proposal. In addition, this proposal is not subject to any collective bargaining agreement.
- Quote assumes proposed plan of benefits is subject to ERISA regulations.
- This proposal is intended to highlight certain plan design aspects of the proposed lines of coverage and does not constitute the contract. Any discrepancies between this proposal and the contract will be resolved by the wording in the contract.
- A minimum number of 10 eligible employees must be insured for coverage to become effective and remain in force, subject to the specified conditions of the rate guarantee.
- This quote assumes the minimum participation to be the greater of 10 lives or 25% participation. [US Alliance] reserves the right to either re-price or to decline to accept the risk if the minimum participation threshold is not met.
- With this rate structure the employer may be electing to partially support employer paid coverages with the rate for the employee paid coverages. This means that premiums paid for one coverage may cover the cost of another coverage under the Plan. When we quote rates with such partial support between the employee paid and employer paid coverages we do so with the understanding that the employer and employee coverages are part of a single ERISA plan sponsored by the employer and that the employer has determined that the rate structure is consistent with information provided to employees and with its ERISA obligations. If this understanding is not accurate, please contact us.
- This proposal explains the general purpose of the insurance described, but in no way changes or affects the policy as actually issued. In the event of a discrepancy between this proposal and the policy, the terms of the policy apply. All benefits are subject to the terms and conditions of the policy. Policies underwritten by the issuing company listed above detail exclusions, limitations, reduction of benefits and terms under which the policies may be continued in full or discontinued. Complete details are in the Certificate of Insurance issued to each insured individual and the Master Policy issued to the policyholder. This program may vary and may not be available to residents of all states.

Long Term Disability and Short Term Disability Definitions

- Quote assumes the employer participates in Social Security.
- Quote assumes that the employer participates in statutory disability benefits where mandated as statutory coverages are not included in this proposal
- Quotation includes W-2 preparation unless the employer requests otherwise.
- Assumes the employer participates in Workers Compensation.
- On employer paid coverage(s), quote assumes the employer pays the cost of coverage on a pre-tax basis.
- On employee paid coverage(s), quote assumes the employee pays the cost of coverage on a post-tax basis.
- Maternity is covered as any other condition
- 14 day recurrent disability/temporary recovery
 - If the insured returns to work, earning more than 80% of pre-disability earnings, and the same sickness or injury causes the disability to occur again within 14 days of the date the prior disability ended, US Alliance will resume monthly payments if the insured is covered under the policy for the period of temporary recovery.
- Cost of Living Freeze
 - Except for increases in income earned or received from any form of employment, once an Other Income Amount has been subtracted from the gross weekly disability payment, the insured's payment will not be further reduced due to a cost of living increase in any Other Income Amounts.

Deviations