

**BUSINESS AFFAIRS AND HUMAN RESOURCES  
AUGUST 16, 2012**

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<b>TAB</b>	<b>DESCRIPTION</b>	<b>ACTION</b>
<b>1</b>	<b>DEFERRED COMPENSATION PLAN</b>	Motion to approve
<b>2</b>	<b>IDAHO DIVISION OF VOCATIONAL REHABILITATION</b> Settlement Agreement	Motion to approve
<b>3</b>	<b>IDAHO STATE UNIVERSITY</b> Multi-Year Employment Agreement – Head Men’s Basketball Coach	Motion to approve
<b>4</b>	<b>UNIVERSITY of IDAHO</b> Contract for Employee Benefits	Motion to approve
<b>5</b>	<b>LEWIS-CLARK STATE COLLEGE</b> Convert Student Affairs Position	Motion to approve
<b>6</b>	<b>EASTERN IDAHO TECHNICAL COLLEGE</b> Short Term Merit Pay Increase - Executive Director of the Foundation.	Motion to approve

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**SUBJECT**

Section 457(b) Deferred Compensation Plan

**REFERENCE**

December 2005                      State Board of Education adopted a Deferred Compensation Plan for participants in the Idaho Optional Retirement Plan under Internal Revenue Code Section 457(b)

**APPLICABLE STATUTES, RULE OR POLICY**

Idaho Code §33-107C

Idaho Code §59-513

**BACKGROUND / DISCUSSION**

In December 2005, the Board adopted a new 457(b) plan with an effective date of January 1, 2006. This Board-sponsored Deferred Compensation Plan is in addition to the existing Board-sponsored Optional Retirement Plan (ORP) (401(a)) and 403(b) plans.

The 457(b) plan document has not been updated since its adoption in 2006. This spring, Board tax counsel conducted a thorough review of the document and has recommended required tax law changes and other appropriate modifications.

Amendments to the Plan include:

- Throughout the plan document, the Plan duties, powers and responsibilities of the Board, the employer units and the services providers are clarified.
- The Board designates its Executive Director as the Plan Administrator, and designates officers at the institutions as responsible for day-to-day duties required for the operation of the plan.
- Rules were added to permit withdrawals during military leave.
- Clarification is made that the Plan has allowed beneficiaries other than the Participant's spouse ("nonspouse beneficiaries") to make direct tax free rollovers of Plan distributions since January 1, 2010.

**IMPACT**

Many of the redlined changes to the Plan document are clarifications intended to satisfy IRS requirements and are not expected to affect the operation of the Plan, including the changes to Section 3.05 (defining Compensation in detail), Section 3.09 (defining an eligible rollover distribution in detail), Section 3.12 (defining Includible Compensation in detail), Section 3.13(d) (providing detailed rules regarding the maximum contribution limits). Section 7.04 is shortened greatly by incorporating the "minimum distribution" requirements by reference, in accordance with IRS rules. This approach should help to reduce the need for future amendments when the laws governing "minimum distribution" requirements are changed.

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**ATTACHMENTS**

Attachment 1 – Section 457(b) Deferred Compensation Plan

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**STAFF COMMENTS AND RECOMMENDATIONS**

Staff has reviewed the recommended changes with Board counsel and tax counsel. Staff recommends approval.

**BOARD ACTION**

I move to approve the amendments to the Idaho State Board of Education 457(b) Deferred Compensation Plan document as presented in Attachment 1, and to authorize the Executive Director to duly execute the document.

Moved by \_\_\_\_\_ Seconded by \_\_\_\_\_ Carried Yes \_\_\_\_\_ No \_\_\_\_\_

**IDAHO STATE BOARD OF EDUCATION  
SECTION 457(b) DEFERRED COMPENSATION PLAN**

Effective January 1, 2006

| Restated Effective January 1, 2012

## IDAHO STATE BOARD OF EDUCATION 457(b) DEFERRED COMPENSATION PLAN

## ARTICLE I. INTRODUCTION

The Idaho State Board of Education, on behalf of the University of Idaho, Idaho State University, Boise State University, Lewis-Clark State College, Eastern Idaho Technical College, College of Southern Idaho, College of Western Idaho, North Idaho College and the Office of the State Board of Education, (hereinafter the "Employer Board") hereby ~~establishes~~restates the Idaho State Board of Education 457(b) Deferred Compensation Plan (hereinafter the "Plan"). The Plan is intended to be an eligible deferred compensation plan under section 457 of the Internal Revenue Code of 1986, as amended. The primary purpose of this Plan is to attract and retain qualified personnel by permitting them to provide for benefits in the event of their retirement or death. Nothing contained in this Plan shall be deemed to constitute an employment agreement between any Participant and the Employer and nothing contained herein shall be deemed to give any Participant any right to be retained in the employ of the Employer.

## ARTICLE II. PLAN ELECTIONS

- 2.01 Plan Effective Date. (Hereinafter the "Effective Date.") This Plan is ~~being~~was established by the Employer Board effective January 1, 2006. This restatement is effective January 1, 2012 except as otherwise indicated.
- 2.02 Unforeseeable Emergency Withdrawals. Withdrawals under Section 7.07 shall be available under this Plan.
- 2.03 Participant's Election to Receive in-Service Distribution. A Participant may elect to receive an in-service distribution of his account balance as described in Section 7.09 if the total amount payable to a Participant under the Plan does not exceed the dollar amount under section 411(a)(11)(A) of the Code (currently \$5,000).
- 2.04 Distribution without Participant's Consent. Small accounts of certain inactive Participants may be distributed without the Participant's consent as described in Section 7.10, if the total amount payable to a Participant under the Plan does not exceed \$1,000. Such amount will be paid in cash to the Participant.
- 2.05 Loans.

Loans are not allowed under this Plan.

- 2.06 Governing Law. This Plan shall be construed under the laws of the State of Idaho. This Plan shall be subject to any applicable State, county or local deferred compensation rules and regulations.

### ARTICLE III. DEFINITIONS

- 3.01 Account: The account maintained for each Participant reflecting the cumulative amount of each Participant's Deferred Compensation, including any income, gains, losses, or increases or decreases in market value attributable to the investment of the Participant's Deferred Compensation, and further reflecting any distributions to the Participant or the Beneficiary and any fees or expenses charged against the Participant's Deferred Compensation.
- 3.02 Annuity Contract: If selected by the Employer-Board as an investment option, one or more group fixed, variable or combination fixed and variable annuity contracts issued by Service Provider(s) and approved for sale in the Employer's state, or by another insurance company qualified to do business in the Employer's state, which provide for periodic payments at regular intervals, whether for a period certain or during one or more lives, and which are non-transferable.
- 3.03 Beneficiary or Beneficiaries: The person or persons designated by the Participant in his Deferred Compensation Agreement who shall receive any benefits payable hereunder in the event of the Participant's death. If more than one designated Beneficiary survives the Participant, payments shall be made equally to the surviving Beneficiaries, unless otherwise provided in the Deferred Compensation Agreement. If no Beneficiary is designated in the Deferred Compensation Agreement or if no designated Beneficiary survives the Participant, then the estate of the Participant shall be the Beneficiary. However, a Participant may designate a contingent Beneficiary (or Beneficiaries) who shall become the primary Beneficiary (or Beneficiaries) under this Plan in the event that no primary Beneficiary survives the Participant.
- 3.04 Code: The Internal Revenue Code of 1986, as amended, and regulations thereunder.
- 3.05 Compensation. All cash compensation for services to the Employer, including salary, wages, fees, commissions, bonuses, and overtime pay, that is includible in the Employee's gross income for the calendar year, plus amounts that would be cash compensation for services to the Employer includible in the Employee's gross income for the calendar year but for a compensation reduction election under section 125, 132(f), 401(k), 403(b), or 457(b) of the Code (including an election to defer

compensation under this Plan.) Effective January 1, 2009, Compensation includes any differential wage payments to an Employee who does not currently perform services for the Employer. A "differential wage payment" is a payment which (a) is made by the Employer with respect to a period during which the Employee is on active duty for a period of more than 30 days, and (b) represents all or a portion of the wages the Employee would have received from the Employer if the Employee were performing service for the Employer, all as defined by Code section 3401(h)(2).

- 3.06 Deferred Compensation: The amount of Normal Compensation otherwise payable to the Participant that the Participant and the Employer mutually agree to defer hereunder, any amount credited to a Participant's Account by reason of a transfer under Section 9.01, or any other amount that the Employer agrees to credit to a Participant's Account and that does not exceed the Maximum Limitation.
- 3.07 Deferred Compensation Agreement: An agreement entered into between a Participant and the Employer and any amendments or modifications thereof, which agreement shall fix the amount of Deferred Compensation; specify the Participant's investment selection with respect to his Deferred Compensation; designate the Participant's Beneficiary or Beneficiaries and incorporate the terms, conditions, and provisions of this Plan by reference.
- 3.08 Eligible Retirement Plan: A plan described in Code section 402(c)(8)(B) to which an Eligible Rollover Distribution may be transferred pursuant to Code section 457(e)(16) or a Roth IRA described in Code section 408A, subject to the adjusted gross income limits of Code section 408A(c)(3) if applicable. (The Plan's written distribution procedures described in Section 7.02 permitted Roth IRA rollovers beginning January 1, 2008.)
- 3.09 Eligible Rollover Distribution: A qualifying distribution to a Participant, or to a spousal Beneficiary of a deceased Participant, that is described in Code section 402(c)(4). Effective January 1, 2008, a qualifying distribution to a nonspouse Beneficiary is also an eligible rollover distribution as permitted by Code section 402(c)(11). An Eligible Rollover Distribution does not include:
- (a) Any distribution that is one of a series of substantially equal periodic payments (not less frequently than annually) made for the life (or life expectancy) of the distributee or the joint lives (or joint life expectancies) of the distributee and his or her designated beneficiary, or for a specified period of ten (10) years or more;

(b) Any distribution to the extent such distribution is required under Code section 401(a)(9);

(c) Any distribution made upon the hardship of the employee.

~~3.093.10~~ Employee: An employee who is eligible to participate in the State of Idaho Optional Retirement Program.

~~3.103.11~~ Employer: The ~~Idaho State Board of Education and~~ employment units under ~~its the~~ jurisdiction of the Board, namely:

~~The~~ Office of the Idaho State Board of Education  
Boise State University  
Idaho State University  
University of Idaho  
Lewis-Clark State College  
Eastern Idaho Technical College  
College of Southern Idaho  
College of Western Idaho  
North Idaho College

~~3.113.12~~ Includible Compensation: ~~AFor a taxable year, the Participant's compensation, as defined in Code section 415(c)(3), n Employee's actual wages in box 1 of Form W-2 for a year for services performed for to the Employer, but subject to a maximum of \$200,000 (or such higher maximum as may apply under section 401(a)(17) of the Code) and increased (up to the dollar maximum) by any compensation reduction election under section 125, 132(f), 401(k), 403(b) or 457(b) of the Code (including an election to defer Compensation under this Plan).—The amount of Includible Compensation shall be determined without regard to any community property laws.~~

~~3.123.13~~ Maximum Limitation: The maximum amount that may be deferred under this Plan (other than rollover amounts described in Section 9.02) for the taxable year of a Participant. Such amount shall be either the Normal Limitation or Catch-Up Limitation, whichever is applicable.

(a) Normal Limitation: The maximum amount deferred shall not exceed the lesser of the applicable dollar amount (as described in Section ~~3.123~~(c) below) or 100% of the Participant's Includible Compensation, as adjusted by Section ~~3.123~~(d) below. Notwithstanding the preceding provisions of this paragraph, for calendar years prior to 2002, the maximum amount deferred shall not exceed such limit or limits in effect for the applicable year pursuant to section 457 of the Code.

- (b) Catch-Up Limitation: For each one of the last three (3) taxable years of a Participant ending before the Participant's attainment of Normal Retirement Age, the maximum amount deferred for each such year shall be the lesser of:

- (1) twice the applicable dollar amount (as described in Section 3.123(c) below); or
- (2) the sum of
  - (A) An amount equal to (i) the Normal Limitation for the current year plus each prior calendar year beginning after December 31, 2001 during which the Participant was an Employee under the Plan, minus (ii) the aggregate compensation that the Participant deferred under this Plan during such years, plus,
  - (B) An amount equal to (i) the aggregate limit referred to in section 457(b)(2) of the Code for each prior calendar year beginning after December 31, 1978 and before January 1, 2002 during which the Participant was an Employee (determined without regard to sections 3.123(b) or (e)), minus (ii) the aggregate contributions to Pre-2002 Coordination Plans for such years.

A Participant may utilize the Catch-Up Limitation only if the Participant has not previously utilized it with respect to a different Normal Retirement Age under this Plan or any other plan. In no case may the deferred amount be more than the Participant's Normal Compensation for the year.

For years prior to 2002, the limit under this paragraph (b) for any year shall not exceed \$15,000.

- (c) Applicable Dollar Amount: For contributions in 2002 and in subsequent years, the applicable dollar amount shall be the amount determined in accordance with the following table:

<u>For taxable years beginning in calendar year:</u>	<u>The applicable dollar amount:</u>
2002	\$11,000
2003	\$12,000
2004	\$13,000
2005	\$14,000
2006 or thereafter	\$15,000



In the case of taxable years beginning after December 31, 2006, the applicable dollar amount shall be adjusted for cost-of-living increases in accordance with Code section 457(e)(15).

- (d) Special Rules.Coordination with Other Plans: For contribution years prior to 2002, the amount excludible from a Participant's gross income for any taxable year under this Plan or any other plan under section 457(b) of the Code shall not exceed \$7,500 (as adjusted for cost-of-living increases in accordance with section 457(e)(15) of the Code) or such greater amount allowed under paragraph (b) of this section, less any amount excluded from gross income under sections 403(b), 402(e)(3), or 402(h)(1)(B) or (k) of the Code, or any amount with respect to which a deduction is allowable by reason of a contribution to an organization under section 501(c)(18) of the Code. For purposes of this Section 3.13, the following rules shall apply:

(i) Participant Covered by More Than One Eligible Plan. If the Participant is or has been a participant in one or more other eligible plans within the meaning of section 457(b) of the Code, then this Plan and all such other plans shall be considered as one plan for purposes of applying the limitations of this Section 3.13. For this purpose, the Plan Administrator shall take into account any other such eligible plan maintained by the Employer and shall also take into account any other such eligible plan for which the Plan Administrator receives from the Participant sufficient information concerning his or her participation in such other plan.

(ii) Pre-Participation Years. In applying the limitations of Section 3.13(b), a year shall be taken into account only if (i) the Participant was eligible to participate in the Plan during all or a portion of the year and (ii) Compensation deferred, if any, under the Plan during the year was subject to the Normal Limitation described in Section 3.13(a) or any other plan ceiling required by section 457(b) of the Code.

(iii) Pre-2002 Coordination Years. For purposes of Section 3.13(b)(2)(B)(ii), "contributions to Pre-2002 Coordination Plans" means any employer contribution, salary reduction or elective contribution under any other eligible Code section 457(b) plan, or a salary reduction or elective contribution under any Code section 401(k) qualified cash or deferred arrangement, Code section 402(h)(1)(B) simplified employee pension (SARSEP), Code section 403(b) annuity contract, and Code section 408(p) simple retirement account, or under any plan for which a deduction is allowed because of a contribution to an organization described in section 501(c)(18)

of the Code, including plans, arrangements or accounts maintained by the Employer or any employer for whom the Participant performed services. However, the contributions for any calendar year are only taken into account for purposes of Section 3.13(b)(2)(B)(ii) to the extent that the total of such contributions does not exceed the aggregate limit referred to in section 457(b)(2) of the Code for that year.

(iv) Disregard Excess Deferral. For purposes of this Section 3.13, an individual is treated as not having deferred compensation under a plan for a prior taxable year to the extent excess deferrals under the plan are distributed, as described in Section 3.13(g). To the extent that the combined deferrals for pre-2002 years exceeded the maximum deferral limitations, the amount is treated as an excess deferral for those prior years.

- (e) Age-Based Catch-Up Contributions: In addition to any other limit set forth in this section, and subject to any limitations that may be imposed under present or future federal tax laws and rules, a Participant who will attain age 50 in the calendar year may contribute an additional amount in such year or a subsequent year, according to the following schedule:

<u>Year of Contribution:</u>	<u>Additional Catch-Up Amount:</u>
2006 and later	\$5,000

In the case of taxable years beginning after December 31, 2006, the additional catch-up amount shall be adjusted for cost-of-living increases in accordance with section 414(v)(2)(C) of the Code.

- (f) Coordination of Catch-Up Contributions: A Participant may not utilize both the Catch-Up Limitation and the Age-Based Catch-Up Contribution in the same year. The Age-Based Catch-Up Contribution shall not apply for any taxable year for which a higher Catch-Up Limitation applies.
- (g) Excess Deferrals: Any amount deferred in excess of the Maximum Limitation or Age-Based Catch-Up Contribution shall be distributed to the Participant, with allocable net income, as soon as administratively practicable after the Plan determines that the amount is an excess deferral. An excess deferral as a result of a failure to comply with the individual limitation under Treas. Reg. section 1.457-5 for a taxable year may be distributed to the Participant, with allocable net income, as soon as administratively practicable after the Plan determines that the amount is an excess deferral.

3.14 Normal Compensation: The amount of compensation that would be payable to a Participant by the Employer if no Deferred Compensation Agreement were in effect to defer compensation under this Plan.

3.133.15 Normal Retirement Age: The age that determines the period during which a Participant may utilize the Catch-Up Limitation of Section 3.123(b) hereunder. A Participant's Normal Retirement Age shall be age 70½, unless the Participant has elected an alternative Normal Retirement Age by written instrument delivered to the Employer prior to Severance from Employment.

A Participant's alternative Normal Retirement Age may not be earlier than the earliest date that the Participant shall become eligible to retire and receive unreduced retirement benefits under the Employer's defined benefit plan or money purchase plan covering that Participant and may not be later than the calendar year in which the Participant attains age 70½. If the Participant will not be eligible to receive benefits under a defined benefit plan or money purchase plan maintained by the Employer, the Participant's Normal Retirement Age may not be earlier than attainment of age 65 and may not be later than the calendar year in which the Participant attains age 70½.

If the Participant is a qualified police officer or firefighter as defined under section 415(b)(2)(H)(ii)(I) of the Code, then such qualified police officer or firefighter may designate an alternative Normal Retirement Age that is between age 40 and age 70 1/2.

Once a Participant has to any extent utilized the Catch-Up Limitation of Section 3.123(b), his Normal Retirement Age may not be changed.

3.143.16 Participant: Any Employee who has enrolled in this Plan pursuant to the requirements of Article V or who has previously deferred compensation under this Plan and who has not received a distribution of his or her entire benefit under the Plan.

3.153.17 Plan Year: The 12-month period commencing each January 1 and ending on the following December 31.

3.163.18 Severance from Employment: Termination of the Participant's employment relationship with the Employer.

3.173.19 Service Provider(s): The Variable Annuity Life Insurance Company (VALIC), VALIC Retirement Services Company, TIAA-CREF Individual &

Institutional Services, LLC (TIAA-CREF), or such other entity as the Employer Board designates to perform administrative services under this Plan.

#### ARTICLE IV. ADMINISTRATION

- 4.01 Plan Administrator. The ~~Idaho State Board of Education~~, located at 650 W. State Street, Boise, Idaho 83720, ~~is the administrator of this Plan and has designated the following its Executive Director~~ as responsible for administering the Plan (the "Plan Administrator"). The Plan Administrator shall have full power to adopt, amend, and revoke such rules and regulations consistent with and as may be necessary to implement, operate and maintain this Plan, to enter into contracts on behalf of the Employer under this Plan, and to make discretionary decisions affecting the rights or benefits of Participants

The Board has designated the following officers of its employer units as responsible for enrolling Participants, sending Plan contributions for each Participant to the Service Providers selected by a Participant, and for performing other duties required for the operation of the Plan:

~~The~~ Chief Fiscal Officer

~~The~~ Office of the Idaho State Board of Education

~~The Financial~~ Vice President for Finance and Administration  
Boise State University

~~The Financial~~ Vice President for Finance and Administration  
Idaho State University

~~The Financial~~ Vice President for Finance and Administration  
University of Idaho

~~The Financial~~ Vice President for Finance and Administration  
Lewis-Clark State College

~~The~~ Financial Vice President for Finance and Administration  
Eastern Idaho Technical College

~~The~~ Financial Vice President  
College of Southern Idaho

Vice President for Finance and Administration  
College of Western Idaho

~~The~~ Financial Vice President

## North Idaho College

~~The Plan Administrator shall have full power to adopt, amend, and revoke such rules and regulations consistent with and as may be necessary to implement, operate and maintain this Plan, to enter into contracts on behalf of the Employer under this Plan, and to make discretionary decisions affecting the rights or benefits of Participants under Section 7.07 of this Plan.~~

4.02 Employee with Administrative Responsibilities. Any Employee who is charged with administrative responsibilities hereunder may participate in the Plan under the same terms and conditions as apply to other Employees. However, he shall not have the power to participate in any discretionary action taken with respect to his participation under Section 7.07 of this Plan.

4.03 Administrative Services. The ~~Employer Board~~ may enter into an agreement with a Service Provider to provide ~~nondiscretionary~~ administrative services under this Plan for the convenience of the Employer, including, but not limited to, the enrollment of Employees as Participants, the maintenance of Accounts and other records, the making of periodic reports to Participants, and the disbursement of benefits to Participants.

## ARTICLE V. PARTICIPATION IN THE PLAN

5.01 Participant. An Employee becomes a Participant when he has executed and entered into a Deferred Compensation Agreement with the Employer.

5.02 Enrollment in the Plan. An Employee may become a Participant as of the first day of any calendar month by entering into a Deferred Compensation Agreement with respect to compensation not yet earned. A new Employee may become a Participant on the first day of employment by entering into a Deferred Compensation Agreement on or before the first day of employment with respect to compensation not yet earned. The Deferred Compensation Agreement shall defer compensation not yet earned, and each Deferred Compensation Agreement must be made before the beginning of the month in which it is to become effective or, with respect to a new employee, on or before the first day of employment.

5.03 Minimum Deferral Amount. At the time of entering into or amending a Deferred Compensation Agreement hereunder, a Participant must agree to defer a minimum periodic amount as specified by the Plan Administrator.

- 5.04 Change in Amount of Deferred Compensation or Beneficiary. A Participant may not amend or modify an executed Deferred Compensation Agreement to change the amount of Deferred Compensation except with respect to compensation to be earned in the subsequent calendar month and provided that notice is given prior to the beginning of the month for which such change is to be effective. A Participant may change the Beneficiary designated in his Deferred Compensation Agreement at any time by giving written notice to the ~~Plan Administrator~~ Service Provider.
- 5.05 Revocation of Deferred Compensation Agreement. A Participant may revoke his Deferred Compensation Agreement and thereafter be restored to his Normal Compensation in the subsequent calendar month, by giving notice to the Employer prior to the beginning of the month for which such revocation is to be effective.
- 5.06 New Deferred Compensation Agreement Upon Return to Service or After Revocation. A Participant who returns to active service with the Employer after a Severance from Employment, or who has revoked his Deferred Compensation Agreement under Section 5.05, may again become an active Participant by executing a new Deferred Compensation Agreement with the Employer prior to the beginning of the calendar month as to which it is to be effective.
- 5.07 Leave of Absence; Other Absences. Compensation may continue to be deferred under this Plan with respect to a Participant who is on an approved leave of absence from the Employer with compensation, and all of the rules of this Article shall apply with respect to making, amending or revoking any Deferred Compensation Agreement for such a Participant.
- 5.08 Deferrals after Severance from Employment, Including Sick, Vacation, and Back Pay Under an Eligible Plan. A Participant who has not had a Severance from Employment may elect to defer accumulated sick pay, accumulated vacation pay, and back pay under this Plan in accordance with the requirements of Code section 457(b). These amounts may be deferred for any calendar month only if an agreement providing for the deferral is entered into before the beginning of the month in which the amounts would otherwise be paid or made available and the Participant is an employee on the date the amounts would otherwise be paid or made available. Compensation that would otherwise be paid for a payroll period that begins before Severance from Employment is treated as an amount that would otherwise be paid or made available before an Employee has a Severance from Employment. In addition, deferrals may be made for former Employees with respect to compensation described in Treas. Reg. section 1.415(c)-2(e)(3)(ii) (relating to certain compensation paid within 2 1/2 months following Severance from Employment), compensation described in Treas. Reg. section 1.415(c)-2(g)(4) (relating to compensation paid to participants who are permanently and totally

disabled), and compensation relating to qualified military service under Code section 414(u).

## ARTICLE VI. INVESTMENT OF DEFERRED COMPENSATION

6.01 Annuity Contracts and Other Plan Investments. For the purposes of satisfying its obligation to provide benefits under this Plan, the amount of compensation deferred by each Participant shall be invested in Annuity Contracts and other Plan investments as specified in the Participants' Deferred Compensation Agreements. Amounts deferred under this Plan must be transferred to a trust, custodial account or annuity contract described in Section 6.02 within a period that is not longer than is reasonable for the proper administration of the Participant Accounts. Responsibility for the selection of investment alternatives for Plan assets shall be retained by the Employer Board and the Employer Board shall have the right to modify the selection of investment alternatives from time to time. However, Participants and Beneficiaries may allocate amounts held in their Accounts or otherwise credited for their benefit under the Plan among the investment alternatives selected by the Employer Board, and the issuer, trustee, or custodian shall accept such allocation instructions directly from Participants and Beneficiaries.

6.02 Exclusive Benefit. Notwithstanding any provision of the Plan to the contrary, all amounts held under the Plan, including amounts deferred and earnings or other accumulations attributable thereto, shall be held for the exclusive benefit of Plan Participants and Beneficiaries (i) in annuity contracts, or (ii) in trust or in one or more custodial accounts pursuant to one or more separate written instruments. Any such annuity contract, trust, or custodial account must satisfy the requirements of section 457(g)(1) of the Code. The annuity contract, trust or custodial account must make it impossible, prior to the satisfaction of all liabilities with respect to Participants and their Beneficiaries, for any part of the assets and income of the annuity contract, trust or custodial account to be used for, or diverted to, purposes other than for the exclusive benefit of Participants and their Beneficiaries. For purposes of this section, the terms Participant and Beneficiary shall also include contingent beneficiaries and/or spouses, former spouses, or children of Participants for whose benefit amounts are being held under the Plan pursuant to the terms of a domestic relations order which has been recognized under the terms of the Plan. Any discretionary authority reserved to the Employer Board (or to any administrator or administrative committee) under the Plan or under any investment held under the Plan, to the extent the exercise thereof would otherwise be inconsistent with this section, shall be exercised for the exclusive benefit of Plan Participants and Beneficiaries. Any issuer of an annuity contract or trustee or custodian of other investments held under the Plan shall have no authority to pay any amounts from such Plan investments to any creditor of the Board or

Employer, and shall have no duty to inquire into the validity of any request by the Employer or by an administrator or administrative committee for distribution of amounts for the benefit of a Participant or a Beneficiary under the Plan.

- 6.03 Benefits Equal Participant's Account Value. The benefits paid to a Participant or Beneficiary pursuant to Article VII of this Plan shall be based upon the value of the Participant's Account. In no event shall the Board or Employer have any liability to pay benefits under this Plan, and the Board or Employer shall not be liable for losses arising from depreciation or other decline in the value of any investments acquired under this Plan.
- 6.04 Periodic Reports. Each Participant shall receive periodic reports, not less frequently than annually, showing the then-current value of his Account.
- 6.05 ~~Employer Board~~-Directed Accounts. Notwithstanding any provision of the Plan to the contrary, the Employer Board shall direct the issuer, trustee or custodian with respect to the investment of any contributions that are forwarded to the issuer, trustee or custodian prior to the date on which the Participant or Beneficiary completes the necessary paperwork with the issuer, trustee or custodian (or takes such other action or actions as may be necessary) to direct the investment of such amounts. Such direction shall be communicated to the issuer, trustee or custodian by means of a separate written agreement between the Employer Board and issuer, trustee or custodian, which agreement shall include a default investment option and a default beneficiary designation. This direction shall be effective only until such time as the Participant or Beneficiary exercises his right to direct the investment of such amounts and to designate a Beneficiary in accordance with the terms of the Plan.

## ARTICLE VII. BENEFITS

- 7.01 Distribution of Benefits. Except as otherwise provided in this Article, a Participant's Account shall become distributable upon a Participant's attainment of age 70½ or upon Severance from Employment. If the Participant has had a Severance from Employment, the distribution of a Participant's Account shall commence no later than April 1 of the calendar year following the year of the Participant's attainment of age 70½. Distributions shall be made in accordance with one of the payment options described in Section 7.03.
- 7.02 Distribution Procedures. The Employer Board may from time to time establish procedures for Participant distribution elections, provided that such procedures are not inconsistent with the requirements of Section 7.01.



7.03 Payment Options. A Participant (or a Beneficiary as provided in Section 7.06) may elect to have the value of the Participant's Account distributed in accordance with one of the following payment options provided that such option is available under the investment and consistent with the limitations set forth in Section 7.04:

- (a) life annuity;
- (b) life annuity with 60, 120, or 180 monthly payments guaranteed;
- (c) unit refund life annuity;
- (d) joint and last survivor annuity (spouse only);
- (e) lump sum;
- (f) term certain annuity with 36, 48, 60, 72, 84, 96, 108, 120, 132, 144, 156, 168 or 180 monthly payments guaranteed;
- (g) withdrawals for a specified number of years;
- (h) withdrawals of a specified amount; or
- (i) any other method of payment agreed upon between Participant and Employer Board and accepted by the investment provider or Service Provider.

If a Participant fails to elect a payment option, any required payments shall be made under a payment option designated by the Employer Board.

Notwithstanding the options above, any option that involves a life contingency (or a joint life contingency) shall only be available under an Annuity Contract offered or obtained under the terms of the Plan.

7.04 Required Minimum Distributions.

~~(a) — No payment option may be selected by the Participant (or a Beneficiary) unless it satisfies the requirements of Code section 401(a)(9) (including the incidental death benefit requirements of Code section 401(a)(9)(G). and Treasury Regulations 1.409(a)()-1 through 1.401(a)(9)-8), all as applicable to governmental plans, and any additional Code limitations applicable to the Plan. The requirements of this section shall take precedence over any inconsistent provisions of the Plan. All distributions required under this section shall be determined and made in accordance with the regulations under section 401(a)(9) of the Code shall begin not later than the April 1 immediately following the calendar year in which the Participant reaches age 70 ½ or in which the Participant~~

subsequently retires from employment with the Employer.

~~(b)The Participant's entire interest shall be distributed, or begin to be distributed, to the Participant no later than the Participant's required beginning date. If the Participant dies before distributions begin, the Participant's entire interest shall be distributed, or begin to be distributed, no later than as follows:~~

~~(1)If the Participant's surviving spouse is the Participant's sole designated Beneficiary, then unless the surviving spouse elects to apply the 5-year rule (pursuant to subsection (f), below), distributions to the surviving spouse shall begin by December 31 of the calendar year immediately following the calendar year in which the Participant died, or by December 31 of the calendar year in which the Participant would have attained age 70-1/2, if later.~~

~~(2)If the Participant's surviving spouse is not the Participant's sole designated Beneficiary, then unless the designated Beneficiary elects to apply the 5-year rule (pursuant to subsection (f)), below), distributions to the designated Beneficiary shall begin by December 31 of the calendar year immediately following the calendar year in which the Participant died.~~

~~(3)If there is no designated Beneficiary as of September 30 of the year following the year of the Participant's death, the Participant's entire interest shall be distributed by December 31 of the calendar year containing the fifth anniversary of the Participant's death.~~

~~(4)If the Participant's surviving spouse is the Participant's sole designated Beneficiary and the surviving spouse dies after the Participant but before distributions to the surviving spouse begin, this subsection (b), other than paragraph (b)(1), shall apply as if the surviving spouse were the Participant.~~

~~For purposes of this subsection (b) and subsection (d), unless paragraph (b)(4) applies, distributions are considered to begin on the Participant's required beginning date. If paragraph (b)(4) applies, distributions are considered to begin on the date distributions are required to begin to the surviving spouse under paragraph (b)(1). If distributions under an annuity purchased from an insurance company irrevocably commence to the Participant before the Participant's required beginning date (or to the Participant's surviving spouse before the date distributions are required to begin to the surviving spouse under paragraph (b)(1)), the date distributions are considered to begin is the date distributions actually commence.~~

~~Unless the Participant's interest is distributed in the form of an annuity purchased from an insurance company or in a single sum on or before the required beginning date, as of the first distribution calendar year distributions shall be made in accordance with subsections (c) and (d) of this section. If the Participant's interest is distributed in the form of an annuity purchased from an insurance company, distributions thereunder shall be made in accordance with the requirements of section 401(a)(9) of the Code.~~

~~(c) During the Participant's lifetime, the minimum amount that shall be distributed for each distribution calendar year is the lesser of:~~

~~(1) the quotient obtained by dividing the Participant's account balance by the distribution period in the Uniform Lifetime Table set forth in section 1.401(a)(9)-9 of the regulations, using the Participant's age as of the Participant's birthday in the distribution calendar year; or~~

~~(2) if the Participant's sole designated Beneficiary for the distribution calendar year is the Participant's spouse, the quotient obtained by dividing the Participant's account balance by the number in the Joint and Last Survivor Table set forth in section 1.401(a)(9)-9 of the regulations, using the Participant's and spouse's attained ages as of the Participant's and spouse's birthdays in the distribution calendar year.~~

~~Required minimum distributions shall be determined under this subsection (c) beginning with the first distribution calendar year and up to and including the distribution calendar year that includes the Participant's date of death.~~

~~(d)(1) If the Participant dies on or after the date distributions begin and there is a designated Beneficiary, the minimum amount that shall be distributed for each distribution calendar year after the year of the Participant's death is the quotient obtained by dividing the Participant's account balance by the longer of the remaining life expectancy of the Participant or the remaining life expectancy of the Participant's designated Beneficiary, determined as follows:~~

~~(a) The Participant's remaining life expectancy is calculated using the age of the Participant in the year of death, reduced by one for each subsequent year.~~

~~(b) If the Participant's surviving spouse is the Participant's sole designated Beneficiary, the remaining life expectancy of the surviving spouse is calculated for each distribution calendar year after the year of the Participant's death using~~

~~the surviving spouse's age as of the spouse's birthday in that year. For distribution calendar years after the year of the surviving spouse's death, the remaining life expectancy of the surviving spouse is calculated using the age of the surviving spouse as of the spouse's birthday in the calendar year of the spouse's death, reduced by one for each subsequent calendar year.~~

~~(c) If the Participant's surviving spouse is not the Participant's sole designated Beneficiary, the designated Beneficiary's remaining life expectancy is calculated using the age of the Beneficiary in the year following the year of the Participant's death, reduced by one for each subsequent year.~~

~~(2) If the Participant dies on or after the date distributions begin and there is no designated Beneficiary as of September 30 of the year after the year of the Participant's death, the minimum amount that shall be distributed for each distribution calendar year after the year of the Participant's death is the quotient obtained by dividing the Participant's account balance by the Participant's remaining life expectancy calculated using the age of the Participant in the year of death, reduced by one for each subsequent year.~~

~~(3) Except as otherwise elected (pursuant to subsection (f), below), if the Participant dies before the date distributions begin and there is a designated Beneficiary, the minimum amount that shall be distributed for each distribution calendar year after the year of the Participant's death is the quotient obtained by dividing the Participant's account balance by the remaining life expectancy of the Participant's designated Beneficiary, determined as provided in paragraph (d)(1) and subsection (2).~~

~~(4) If the Participant dies before the date distributions begin and there is no designated Beneficiary as of September 30 of the year following the year of the Participant's death, distribution of the Participant's entire interest shall be completed by December 31 of the calendar year containing the fifth anniversary of the Participant's death.~~

~~(5) If the Participant dies before the date distributions begin, the Participant's surviving spouse is the Participant's sole designated Beneficiary, and the surviving spouse dies before distributions are required to begin to the surviving spouse under paragraph (b)(1), this subsection (d) shall apply as if the surviving spouse were the Participant.~~

~~(e) — Definitions.~~

- ~~(1) “Designated Beneficiary” means the individual who is designated as the Beneficiary under Section 6.02 of the Plan and is the designated Beneficiary under section 401(a)(9) of the Code and section 1.401(a)(9)-1, Q&A-4, of the regulations.~~
- ~~(2) “Distribution calendar year” means a calendar year for which a minimum distribution is required. For distributions beginning before the Participant’s death, the first distribution calendar year is the calendar year immediately preceding the calendar year that contains the Participant’s required beginning date. For distributions beginning after the Participant’s death, the first distribution calendar year is the calendar year in which distributions are required to begin under subsection (b). The required minimum distribution for the Participant’s first distribution calendar year shall be made on or before the Participant’s required beginning date. The required minimum distribution for other distribution calendar years, including the required minimum distribution for the distribution calendar year in which the Participant’s required beginning date occurs, shall be made on or before December 31 of that distribution calendar year.~~
- ~~(3) “Life expectancy” means life expectancy as computed by use of the Single Life Table in section 1.401(a)(9)-9 of the regulations.~~
- ~~(4) “Participant’s account balance” means the account balance as of the last valuation date in the calendar year immediately preceding the distribution calendar year (valuation calendar year) increased by the amount of any contributions made and allocated or forfeitures allocated to the account balance as of dates in the valuation calendar year after the valuation date and decreased by distributions made in the valuation calendar year after the valuation date. The account balance for the valuation calendar year includes any amounts rolled over or transferred to the plan either in the valuation calendar year or in the distribution calendar year if distributed or transferred in the valuation calendar year.~~
- ~~(5) “Required beginning date” means April 1st of the calendar year following the later of:~~
  - ~~(a) the calendar year in which the Participant attains age 70-1/2; or~~
  - ~~(b) the calendar year in which the Participant retires.~~

(f) ~~Participants or Beneficiaries may elect, on an individual basis, whether the 5-year rule or the life expectancy rule in subsections (b) and (d) applies to distributions after the death of a Participant who has a designated Beneficiary. The election must be made no later than the earlier of September 30 of the calendar year in which distribution would be required to begin under subsection (b), or by September 30 of the calendar year which contains the fifth anniversary of the Participant's (or, if applicable, the surviving spouse's) death. If neither the Participant nor the Beneficiary makes an election under this paragraph, distributions shall be made in accordance with subsections (b) and (d).~~

- 7.05 Post-Retirement Death Benefits. Should the Participant die after he has begun to receive benefits under a payment option, the guaranteed or remaining payments, if any, under the payment option shall be payable to the Participant's Beneficiary commencing with the first payment due after the death of the Participant. Payment to the Participant's Beneficiary must comply with section 401(a)(9) of the Code, and with any additional Code limitations applicable to the Plan. If the Beneficiary does not continue to live for the remaining period of payments under the payment option, then the remaining benefits under the payment option shall be paid to the Beneficiary's beneficiary or, if none, the Beneficiary's estate. In no event shall the Plan be liable for any payments made in the name of the Participant or a Beneficiary before the Employer or its agent receives proof of the death of the Participant or Beneficiary.
- 7.06 Pre-Retirement Death Benefits. Should the Participant die before he has begun to receive benefits under Section 7.01, a death benefit equal to the value of the Participant's Account shall be payable to the Beneficiary. Such death benefit shall be paid in a lump sum unless the Beneficiary elects a different payment option. Payment to the Participant's Beneficiary must comply with section 401(a)(9) of the Code, and with any additional Code limitations applicable to the Plan. Should the Beneficiary die before the completion of payments under the payment option, the value of the remaining payments under the payment option shall be paid to the Beneficiary's beneficiary or, if none, the Beneficiary's estate.
- 7.07 Unforeseeable Emergency Withdrawals. In the event of an unforeseeable emergency, a Participant may apply to the [Employer Service Provider](#) to receive that part of the value of his Account that is reasonably ~~necessary~~needed to satisfy the emergency need (including any amounts that may be necessary to pay any federal, state or local income taxes or penalties reasonably anticipated to result from the distribution.) If such application for withdrawal is approved by the [Employer Service Provider](#), the [Employer Service Provider](#) shall direct the issuer, trustee or custodian

to pay the Participant such value as the Employer-Service Provider deems necessary to meet the emergency need.

The regulations under section 457(d)(1)(A)(iii) of the Code define an unforeseeable emergency as a severe financial hardship of the Participant or Beneficiary resulting from an illness or accident of the Participant or Beneficiary, the Participant's or Beneficiary's spouse, or the Participant's or Beneficiary's dependent (as defined in Code section 152, and, for taxable years beginning on or after January 1, 2005, without regard to Code section 152(b)(1), (b)(2), and (d)(1)(B)); loss of the Participant's or Beneficiary's property due to casualty (including the need to rebuild a home following damage to a home not otherwise covered by homeowner's insurance, e.g., as a result of a natural disaster); or other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Participant or Beneficiary. For example, the imminent foreclosure of or eviction from the Participant's or Beneficiary's primary residence may constitute an unforeseeable emergency. In addition, the need to pay for medical expenses, including non-refundable deductibles, as well as for the cost of prescription drug medication, may constitute an unforeseeable emergency. Finally, the need to pay for the funeral expenses of a spouse or a dependent (as defined in Code section 152, and, for taxable years beginning on or after January 1, 2005, without regard to Code section 152(b)(1), (b)(2), and (d)(1)(B)) may also constitute an unforeseeable emergency. Except as otherwise specifically provided in this Section 7.07, neither the purchase of a home nor the payment of college tuition is an unforeseeable emergency.

A distribution on account of an unforeseeable emergency may not be made to the extent that such emergency is or may be relieved through reimbursement or compensation from insurance or otherwise, by liquidation of the Participant's assets, to the extent the liquidation of such assets would not itself cause severe financial hardship, or by cessation of deferrals under the Plan.

7.08 Transitional Rule for Annuity Payment Option Elections. If this Plan document constitutes an amendment and restatement of the Plan as previously adopted by the Employer-Board and if a Participant or Beneficiary has commenced receiving benefits under an annuity payment option, that annuity payment option shall remain in effect notwithstanding any other provision of this Plan, provided it complies with Code section 401(a)(9) and related Treasury Regulations.

7.09 Participant's Election to Receive In-Service Distribution. ~~If the Employer so elects under Section 2.03, a~~ Participant may elect to receive an in-service distribution of the total amount payable to him under the Plan if:

- (a) such amount does not exceed the dollar amount under section 411(a)(11)(A) of the Code,
- (b) no amount has been deferred under the Plan with respect to the Participant during the two-year period ending on the date of the distribution, and
- (c) there has been no prior distribution under the Plan to the Participant under this Section 7.09 or under Section 7.10.

7.10 Distribution without Participant's Consent. ~~If the Employer so elects under Section 2.04, the~~ The total amount payable to a Participant under the Plan may be distributed to the Participant without his consent if:

- (a) such amount does not exceed \$1,000,
- (b) no amount has been deferred under the Plan with respect to the Participant during the two-year period ending on the date of the distribution, and
- (c) there has been no prior distribution under the Plan to the Participant under this Section 7.10 or under Section 7.09.

7.11 Distribution During Military Service. Effective January 1, 2011, a Participant who is performing service in the uniformed services described in Code section 3401(h)(2)(A) for a period of 30 or more days is treated as severed from Employment during the period of uniformed service for purposes of requesting a distribution from his or her Plan Account provided, however, that a Participant who receives a distribution pursuant to this section 3.6(b) may not make elective contributions to the Plan during the six-month period beginning on the date of distributions.

## ARTICLE VIII. NON-ASSIGNABILITY

8.01 In General. Except as provided in Section 8.02, the interests of each Participant or Beneficiary under the Plan are not subject to the claims of the Participant's or Beneficiary's creditors; and no Participant or Beneficiary shall have any right to commute, sell, assign, pledge, transfer or otherwise convey or encumber the right to receive any payments hereunder or any interest under the Plan, which payments and interests are expressly declared to be non-assignable and non-transferable.

8.02 Domestic Relations Orders.

- (a) Allowance of Transfers: Notwithstanding Section 8.01, if a judgment, decree or order (including approval of a property settlement



agreement) that relates to the provision of child support, alimony payments, or the marital property rights of a spouse or former spouse, child, or other dependent of a Participant is made pursuant to a State domestic relations law ("domestic relations order"), then the amount of the Participant's Account shall be paid in the manner and to the person or persons so directed in the domestic relations order. Such payment shall be made without regard to whether the Participant is eligible for a distribution of benefits under the Plan. The Plan Administrator-Employer and Service Provider(s) shall establish reasonable procedures for determining the status of any such decree or order and for effectuating distribution pursuant to the domestic relations order. Where necessary to carry out the terms of such an order, a separate Account may be established with respect to the spouse, former spouse, or child who shall be entitled to make investment selections with respect thereto in the same manner as the Participant.

- (b) Release from Liability to Participant: The Plan's liability to pay benefits to a Participant shall be reduced to the extent that amounts have been paid or set aside for payment to a spouse, former spouse, child, or other dependent pursuant to paragraph (a) of this section. No such transfer shall be effectuated unless the Employer or Service Provider has been provided with satisfactory evidence that the Board, Employer and the Service Provider are released from any further claim by the Participant with respect to such amounts. The Participant shall be deemed to have released the Board, Employer and the Service Provider from any claim with respect to such amounts, in any case in which (i) the Board, Employer or Service Provider has been served with legal process or otherwise joined in a proceeding relating to such transfer, (ii) the Participant has been notified of the pendency of such proceeding in the manner prescribed by the law of the jurisdiction in which the proceeding is pending by service of process in such action or by mail from the Board, Employer or Service Provider to the Participant's last known mailing address, and (iii) the Participant fails to obtain an order of the court in the proceeding relieving the Employer or Service Provider from the obligation to comply with the judgment, decree, or order. The Participant shall also be deemed to have released the Board, Employer or Service Provider if the Participant has consented to the transfer pursuant to the terms of a property settlement agreement and/or a final judgment, decree, or order as described in paragraph (a).
- (c) Participation in Legal Proceedings: The Board, Employer and the Service Provider shall not be obligated to defend against or seek to have set aside any judgment, decree, or order described in

paragraph (a) or any legal order relating to the garnishment of a Participant's benefits, unless the full expense of such legal action is borne by the Participant. In the event that the Participant's action (or inaction) nonetheless causes the Board, Employer or Service Provider to incur such expense, the amount of the expense may be charged against the Participant's Account and thereby reduce the ~~Employer's~~ an obligation to pay benefits to the Participant. In the course of any proceeding relating to divorce, separation, or child support, the Board, Employer and Service Provider shall be authorized to the extent permitted by applicable laws to disclose information relating to the Participant's Account to the Participant's spouse, former spouse, or child (including the legal representatives of the spouse, former spouse, or child), or to a court.

## ARTICLE IX. TRANSFERS AND ROLLOVERS

9.01 Transfers. This Plan shall accept and allow transfers, pursuant to section 457 of the Code, of amounts deferred by an individual under this Plan or another eligible deferred compensation plan meeting the requirements of section 457(g) of the Code, provided the conditions of this Section 9.01 are met.

- (a) Directed by Individual Participant or Beneficiary. A transfer from this Plan to another eligible governmental deferred compensation plan or from another eligible governmental deferred compensation plan to this Plan is permitted only if the transferor plan provides for transfers, the receiving plan provides for the receipt of transfers, the Participant or Beneficiary whose amounts deferred are being transferred shall have an amount deferred immediately after the transfer at least equal to the amount deferred with respect to that Participant or Beneficiary immediately before the transfer, and in the case of a transfer for a Participant, the Participant whose amounts deferred are being transferred has had a severance from employment with the transferring employer and is performing services for the employer maintaining the transferee plan. Upon the transfer of assets from this Plan under this Section 9.01(a), the Plan's liability to pay benefits to the Participant or Beneficiary under this Plan shall be discharged to the extent of the amount so transferred for the Participant or Beneficiary.

Any such transferred amount shall not be treated as a deferral subject to the limitations of Section 3.1~~32~~, except that, for purposes of applying the limit of Section 3.1~~23~~, an amount deferred during any taxable year under the plan from which the transfer is accepted shall be treated as if it had been deferred under this Plan during such taxable year and compensation paid by the transferor employer shall be treated as if it had been paid by the Employer.

(b) Permissive Service Credit Transfers.

Subject to any limitations imposed by an investment provider, if a Participant is also a participant in a tax-qualified defined benefit governmental plan (as defined in section 414(d) of the Code) that provides for the acceptance of plan-to-plan transfers with respect to the Participant, then the Participant may elect to have any portion of the Participant's Account transferred to the defined benefit governmental plan. A transfer under this Section 9.01(b) may be made before the Participant has had a Severance from Employment.

A transfer may be made under Section 9.01(b) only if the transfer is either for the purchase of permissive service credit (as defined in section 415(n)(3)(A) of the Code) under the receiving defined benefit governmental plan or a repayment to which section 415 of the Code does not apply by reason of section 415(k)(3) of the Code.

9.02 Rollovers. A Participant, a Participant's spouse or surviving spouse, a Participant's spouse- or former spouse who is an alternate payee under a qualified domestic relations order, as defined in Code section 414(p), or, effective January 1, 2010, a Participant's nonspouse beneficiary may elect to roll an Eligible Rollover Distribution to an Eligible Retirement Plan. The Participant or other recipient of an Eligible Rollover Distribution shall be provided with a description of available rollover rights and rules in advance of such a distribution. A distribution that is an Eligible Rollover Distribution and that is paid in a form other than a rollover shall be subject to mandatory withholding of 20%, or such other mandatory withholding rate as may be imposed under the Code from time to time. This Plan shall be permitted to accept a rollover distribution from an Eligible Retirement Plan (including a distribution from an IRA) to this Plan, subject to any administrative restrictions imposed by the Plan or by the investment provider. To the extent required under the Code, the Plan shall separately account for any rollover contributions it receives. Rollover contributions to the Plan before January 1, 2006, shall be subject to the same restrictions on distributions applicable to other amounts held under the Plan. Rollover contributions to the Plan on or after January 1, 2006, shall not be subject to the same restrictions on distributions applicable to other amounts held under the Plan, and such rollover contributions may be distributed at any time.

## ARTICLE X. AMENDMENT OR TERMINATION OF PLAN

10.01 Amendment or Termination. The Employer Board may at any time amend this Plan or terminate this Plan and distribute the Participants' Accounts in

conformity with the Code; provided, however, that such amendment or termination shall not impair the rights of Participants or their Beneficiaries with respect to any compensation deferred before the date of the amendment or termination of this Plan except as may be required to maintain the tax status of the Plan under the Code. In the event that the Plan is terminated, amounts deferred under the Plan (and all Plan assets) shall be distributed to all Plan Participants and Beneficiaries as soon as administratively practicable after the termination of the Plan and Participants shall thereafter receive their Normal Compensation.

10.02 Amendment and Restatement of Previously Adopted Plan. If this Plan document constitutes an amendment and restatement of the Plan as previously adopted by the ~~Employer Board~~, the amendments contained herein shall be effective as of the Effective Date, and the terms of the preceding plan document shall remain in effect through such date.

#### ARTICLE XI. USERRA and HEART ACT COMPLIANCE

An Employee whose employment is interrupted by qualified military service under Code section 414(u) or who is on a leave of absence for qualified military service under Code section 414(u) may defer additional Compensation upon resumption of employment with the Employer equal to the maximum amount of Compensation that could have been deferred during that period if the Employee's employment with the Employer had continued (at the same level of Compensation) without the interruption of leave, reduced by the amount of Compensation, if any, actually deferred during the period of the interruption or leave. This right applies for five years following the resumption of employment (or, if sooner, for a period equal to three times the period of the interruption or leave). The Plan provides death benefits in accordance with Code section 401(a)(31) because all Plan accounts are fully vested and no additional benefits are paid due to death while employed.

#### ARTICLE XII. MISTAKEN CONTRIBUTIONS

If any contribution (or any portion of a contribution) is made to the Plan by a good faith mistake of fact, then within one year after the payment of the contribution, and upon receipt in good order of a proper request approved by the Plan Administrator, the amount of the mistaken contribution (adjusted for any income or loss in value, if any, allocable thereto) shall be returned directly to the Participant or, to the extent required or permitted by the Plan Administrator, to the Employer.

#### ARTICLE XIII. RELATIONSHIP TO OTHER PLANS

This Plan serves in addition to any other retirement, pension or benefit plan or system presently in existence or hereinafter established.

IN WITNESS WHEREOF, the Employer has caused this instrument to be executed by its duly authorized representative on this 16<sup>th</sup> day of August 2012.

~~Employer Name:~~ **Idaho State Board of Education**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

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**BUSINESS AFFAIRS AND HUMAN RESOURCES**  
**AUGUST 16, 2012**

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**DIVISION OF VOCATIONAL REHABILITATION**

**SUBJECT**

The Idaho Division of Vocational Rehabilitation request for approval of the settlement agreement discussed in executive session

**APPLICABLE STATUTES, RULE OR POLICY**

Idaho State Board of Education Governing Policies & Procedures, Section V.W.3.

Idaho Code Sections 67-2345(d) and (f).

**BACKGROUND / DISCUSSION**

Idaho Division of Vocation Rehabilitation requests approval of the litigation settlement agreement consistent with the terms discussed in executive session.

**BOARD ACTION**

A motion to approve the settlement considered by the Board in executive session and to authorize the Idaho Division of Rehabilitation to sign all necessary settlement documents.

Moved by\_\_\_\_\_ Seconded by\_\_\_\_\_ Carried Yes\_\_\_\_\_ No\_\_\_\_\_

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**BUSINESS AFFAIRS & HUMAN RESOURCES**  
**AUGUST 16, 2012**

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**IDAHO STATE UNIVERSITY**

**SUBJECT**

Approval of a multi-year employment agreement for William L. Evans, Head Men's Basketball Coach

**APPLICABLE STATUTE, RULE OR POLICY**

Idaho State Board of Education Governing Policies & Procedures, Section II.H.1.

**BACKGROUND/DISCUSSION**

Idaho State University is requesting approval for a four-year, two-month employment agreement for William L. Evans, Head Men's Basketball Coach (see Attachment 1). The employment agreement contains the duties, responsibilities and conditions of employment. A model contract matrix of the employment agreement that identifies departures from the model contract form and provides justification for these changes is included as Attachment 3. The position is funded by state appropriated funds.

This contract will provide a stable coaching environment for the basketball program as well as stability and consistency for the Athletic Department as a whole.

**IMPACT**

The annual salary for this position is \$102,752 per year plus supplemental compensation incentives as set forth below.

Athletic Incentive Pay may be earned as follows:

Conference Champion or Co-Champion			\$3,952
Conference Coach of the Year			\$3,952
Record Bonus (20+ regular season wins)			\$6,000
Big Sky Conference Tournament Winner or NCAA Men's Basketball Tournament berth			\$3,952
NCAA Men's Basketball Tournament			
Play-In	65 Teams		\$2,000
Round 1	64 Teams	1 <sup>st</sup> win	\$5,000
Round 2	32 Teams	2 <sup>nd</sup> win	\$10,000
Round 3	16 Teams	3 <sup>rd</sup> win	\$12,000
Round 4	8 Teams	4 <sup>th</sup> win	\$15,000
Round 5	4 Teams	5 <sup>th</sup> win	\$20,000
Round 6	2 Teams	6 <sup>th</sup> win	\$30,000
NCAA National Championship Winner Bonus Total:			\$92,000 / \$94,000

**BUSINESS AFFAIRS & HUMAN RESOURCES**  
**AUGUST 16, 2012**

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**NIT Men's Basketball Post-Season Tournament**

Round 1	32 Teams	1 <sup>st</sup> win	\$2,000
Round 2	16 Teams	2 <sup>nd</sup> win	\$3,000
Round 3	8 Teams	3 <sup>rd</sup> win	\$4,000
Round 4	4 Teams	4 <sup>th</sup> win	\$5,000
Round 5	2 Teams	5 <sup>th</sup> win	\$6,000
NIT Championship Winner Bonus Total:			\$20,000

Annual Media Payment \$20,000

Academic Incentive Pay may be earned as follows:

Supplemental Compensation may also be earned, at the discretion of the president and upon approval by the Board, based on team member behavior and the team's four-year APR ranking based on attainment of the following levels:

60th - 69.9% =	\$7,000
70th - 79.9% =	\$10,000
80th % or above =	\$15,000

Maximum potential annual compensation (base salary plus maximum potential supplemental compensation) would be \$249,608.

The Coach is also eligible to receive other supplemental compensation through University operated summer camps.

Liquidated damages for the Coach terminating the contract early for his own convenience are \$35,000 for the first year, \$25,000 for the second year and \$10,000 for the third year.

**ATTACHMENTS**

Attachment 1	Employment Agreement	Page 5
Attachment 2	Employment Agreement – Redline	Page 19
Attachment 3	Model Contract Matrix Changes	Page 35

**STAFF COMMENTS AND RECOMMENDATIONS**

At the October 2011 Board meeting, the chair of the Athletic Committee indicated the Committee wants the institutions to be aware the Board is looking for four criteria when looking at contracts: 1) timelines, 2) meaningful academic incentives, 3) three-year terms (with some exceptions) and 4) liquidated damages. The chair reiterated that future contracts need to contain these criteria to be considered and follow the model contract in Board policy.

ISU brings a contract for its men's basketball coach. The term of this four year employment agreement was effective March 9, 2012. The Board may wish to inquire about timelines and contract length. The academic incentives are meaningful – with the highest amount well in excess of incentive pay for a

**BUSINESS AFFAIRS & HUMAN RESOURCES**  
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conference championship. The contract also contains adequate liquidated damages in favor of the University.

The employment agreement follows the Board-approved model contract except as specifically noted in Attachment 3.

Staff recommends the institution provide justification to the Board for seeking retroactive approval of a four year contract.

**BOARD ACTION**

I move to approve the request by Idaho State University to enter into a multi-year employment agreement with William L. Evans, Head Men's Basketball Coach, for a term commencing retroactively on March 9, 2012 and terminating May 9, 2016, in substantial conformance with the agreement submitted to the Board as Attachment 1.

Moved by \_\_\_\_\_ Seconded by \_\_\_\_\_ Carried Yes \_\_\_\_\_ No \_\_\_\_\_

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**(MODEL ATHLETICS CONTRACT  
EMPLOYMENT AGREEMENT**

This Employment Agreement (Agreement) is entered into by and between Idaho State University (University) and William L. Evans (Coach).

**ARTICLE 1**

1.1. Employment. Subject to the terms and conditions of this Agreement, the University shall employ Coach as the head coach of its intercollegiate men's basketball team (Team). Coach represents and warrants that Coach is fully qualified to serve, and is available for employment, in this capacity.

1.2. Reporting Relationship. Coach shall report and be responsible directly to the University's Director of Athletics (Director) or the Director's designee. Coach shall abide by the reasonable instructions of Director or the Director's designee and shall confer with the Director or the Director's designee on all administrative and technical matters. Coach shall also be under the general supervision of the University's President (President).

1.3. Duties. Coach shall manage and supervise the Team and shall perform such other duties in the University's athletic program as the Director may assign and as may be described elsewhere in this Agreement. The University shall have the right, at any time, to reassign Coach to duties at the University other than as head coach of the Team, provided that Coach's compensation and benefits shall not be affected by any such reassignment, except that the opportunity to earn supplemental compensation as provided in sections 3.2.1 through 3.2.6 shall cease.

**ARTICLE 2**

2.1. Term. This Agreement is for a fixed-term appointment of four ( 4 ) years, commencing on March 09, 2012 and terminating, without further notice to Coach, on May 09, 2016 unless sooner terminated in accordance with other provisions of this Agreement.

2.2. Extension or Renewal. This Agreement is renewable solely upon an offer from the University and an acceptance by Coach, both of which must be in writing and signed by the parties. Any renewal is subject to the prior approval of University's Board of Trustees. This Agreement in no way grants to Coach a claim to tenure in employment, nor shall Coach's service pursuant to this agreement count in any way toward tenure at the University.

**ARTICLE 3**

3.1 Regular Compensation.

3.1.1 In consideration of Coach's services and satisfactory performance of this Agreement, the University shall provide to Coach:

- a) An annual salary of \$102,752.00 per year, payable in biweekly installments in accordance with normal University procedures, and such salary increases as may be determined appropriate by the Director and President and approved by the University's Board of Trustees);
- b) The opportunity to receive such employee benefits as the University provides generally to non-faculty exempt employees; and
- c) The opportunity to receive such employee benefits as the University's Department of Athletics (Department) provides generally to its employees of a comparable level. Coach hereby agrees to abide by the terms and conditions, as now existing or hereafter amended, of such employee benefits.

### 3.2 Supplemental Compensation

3.2.1. Each year the Team is the conference champion or co-champion, and if Coach continues to be employed as University's head Men's Basketball coach as of the ensuing May 1st, the University shall pay to Coach supplemental compensation in an amount equal to two week's pay ( $2/52 \times \text{Annual Salary}$ ) of Coach's Annual Salary during the fiscal year in which the championship is achieved. The University shall determine the appropriate manner in which it shall pay Coach any such supplemental compensation.

3.2.2. Each year the Coach is named as the Conference Coach of the Year, and if Coach continues to be employed as University's head Men's Basketball coach as of the ensuing May 1st, the University shall pay to Coach supplemental compensation in an amount equal to two week's pay ( $2/52 \times \text{Annual Salary}$ ) of Coach's Annual Salary during the fiscal year in which the championship is achieved. The University shall determine the appropriate manner in which it shall pay Coach any such supplemental compensation.

3.2.3. Each year the Team either wins the Big Sky Conference tournament or obtains an NCAA Men's Basketball Tournament berth, and if Coach continues to be employed as University's head Men's Basketball coach as of the ensuing May 1st, the University shall pay to Coach supplemental compensation in an amount equal to two week's pay ( $2/52 \times \text{Annual Salary}$ ) of Coach's Annual Salary during the fiscal year in which the post-season participation are achieved. The University shall determine the appropriate manner in which it shall pay Coach any such supplemental compensation.

3.2.4. Each year Coach shall be eligible to receive supplemental compensation in an amount up to \$15,000 based on the academic achievement and behavior of Team members. The determination of whether Coach will receive such supplemental compensation and the

timing of the payment(s) shall be at the discretion of the President in consultation with the Director and approved by the University's Board of Trustees. The determination shall be based on the following factors: the conduct of Team members on the University campus, at authorized University activities, in the community, and elsewhere and the Team's four-year APR national ranking based on attainment of the following levels:

<u>Team APR Ranking</u>	<u>Incentive Pay</u>
60%-69%	\$ 7,000.00
70%-79%	\$ 10,000.00
80% or above	\$ 15,000.00

Any such supplemental compensation paid to Coach shall be accompanied with a detailed justification for the supplemental compensation based on the factors listed above and such justification shall be separately reported to the Board of Trustees as a document available to the public under the Idaho Public Records Act.

3.2.5 *Record Bonus.* The University must pay to Coach supplemental compensation in the amount of \$6,000 for winning twenty (20) or more regular season men's basketball games, provided that the Coach continues to be employed as University's head Men's Basketball coach as of the ensuing May 1<sup>st</sup>.

3.2.6 Each year the Team advances in the NCAA Men's Basketball Tournament, and if Coach continues to be employed as University's head Men's Basketball coach as of the ensuing May 1st, the University shall pay Coach supplemental compensation in an amount equal to the terms below. The University shall determine the appropriate manner in which it shall pay Coach any such supplemental compensation.

Play-In	65 Teams		\$2,000.00
Round 1	64 Teams	1 <sup>st</sup> win	\$5,000.00
Round 2	32 Teams	2 <sup>nd</sup> win	\$10,000.00
Round 3	16 Teams	3 <sup>rd</sup> win	\$12,000.00
Round 4	8 Teams	4 <sup>th</sup> win	\$15,000.00
Round 5	4 Teams	5 <sup>th</sup> win	\$20,000.00
Round 6	2 Teams	6 <sup>th</sup> win	\$30,000.00

Possible national championship winner computation bonus total: \$92,000.00 / \$94,000.00

3.2.7 Each year the Team advances in the NIT Men's Basketball Post-Season Tournament, and if Coach continues to be employed as University's head Men's Basketball coach as of the ensuing May 1st, the University shall pay Coach supplemental compensation in an amount equal to the terms below. The University shall determine the appropriate manner in which it shall pay Coach any such supplemental compensation.

Round 1	32 Teams	1 <sup>st</sup> win	\$2,000.00
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Round 2	16 Teams	2 <sup>nd</sup> win	\$3,000.00
Round 3	8 Teams	3 <sup>rd</sup> win	\$4,000.00
Round 4	4 Teams	4 <sup>th</sup> win	\$5,000.00
Round 5	2 Teams	5 <sup>th</sup> win	\$6,000.00

Possible bonus computation total for winning NIT Men's Basketball Post-Season Tournament:  
\$20,000.00

3.2.8 The Coach shall receive the sum of \$20,000 from the University or the University's designated media outlet(s) or a combination thereof each year during the term of this Agreement in compensation for participation in media programs, public appearances (Programs) and all Bengal Athletic Booster events. Coach's right to receive such a payment shall vest on the date of the Team's last regular season or post-season competition, whichever occurs later. This sum shall be paid in one lump sum. Agreements requiring the Coach to participate in Programs related to his duties as an employee of University are the property of the University. The University shall have the exclusive right to negotiate and contract with all producers of media productions and all parties desiring public appearances by the Coach. Coach agrees to cooperate with the University in order for the Programs to be successful and agrees to provide his services to and perform on the Programs and to cooperate in their production, broadcasting, and telecasting. It is understood that neither Coach nor any assistant coaches shall appear without the prior written approval of the Director on any competing radio or television program (including but not limited to a coach's show, call-in show, or interview show) or a regularly scheduled news segment, except that this prohibition shall not apply to routine news media interviews for which no compensation is received. Without the prior written approval of the Director, Coach shall not appear in any commercial endorsements which are broadcast on radio or television that conflict with those broadcast on the University designated media outlets.

3.2.9 **(SUMMER CAMP—OPERATED BY UNIVERSITY)** Coach agrees that the University has the exclusive right to operate youth Men's Basketball camps on its campus using University facilities. The University shall allow Coach the opportunity to earn supplemental compensation by assisting with the University's camps in Coach's capacity as a University employee. Coach hereby agrees to assist in the marketing, supervision, and general administration of the University's men's basketball camps. Coach also agrees that Coach will perform all obligations mutually agreed upon by the parties. In exchange for Coach's participation in the University's summer men's basketball camps, the University shall pay Coach any net revenues resulting from the camp per year as supplemental compensation during each year of his employment as head Men's Basketball coach at the University, or direct those net revenues as an enhancement to the Men's Basketball program budget at the University. This amount shall be paid within 30 days after all camp bills have been paid.

3.2.10 Coach agrees that the University has the exclusive right to select footwear, apparel and/or equipment for the use of its student-athletes and staff, including Coach, during official practices and games and during times when Coach or the Team is being filmed by motion picture or video camera or posing for photographs in their capacity as representatives of University. Coach recognizes that the University is negotiating or has entered into an agreement



with Nike to supply the University with athletic footwear, apparel and/or equipment. Coach agrees that, upon the University's reasonable request, Coach will consult with appropriate parties concerning a Nike product's design or performance, shall act as an instructor at a clinic sponsored in whole or in part by Nike, or give a lecture at an event sponsored in whole or in part by Nike, or make other educationally-related appearances as may be reasonably requested by the University. Notwithstanding the foregoing sentence, Coach shall retain the right to decline such appearances as Coach reasonably determines to conflict with or hinder his duties and obligations as head Men's Basketball coach. In order to avoid entering into an agreement with a competitor of Nike, Coach shall submit all outside consulting agreements to the University for review and approval prior to execution. Coach shall also report such outside income to the University in accordance with NCAA rules. Coach further agrees that Coach will not endorse any athletic footwear, apparel and/or equipment products, including Nike, and will not participate in any messages or promotional appearances which contain a comparative or qualitative description of athletic footwear, apparel or equipment products.

3.3 General Conditions of Compensation. All compensation provided by the University to Coach is subject to deductions and withholdings as required by law or the terms and conditions of any fringe benefit in which Coach participates. However, if any fringe benefit is based in whole or in part upon the compensation provided by the University to Coach, such fringe benefit shall be based only on the compensation provided pursuant to section 3.1.1, except to the extent required by the terms and conditions of a specific fringe benefit program.

#### ARTICLE 4

4.1. Coach's Specific Duties and Responsibilities. In consideration of the compensation specified in this Agreement, Coach, in addition to the obligations set forth elsewhere in this Agreement, shall:

4.1.1. Devote Coach's full time and best efforts to the performance of Coach's duties under this Agreement;

4.1.2. Develop and implement programs and procedures with respect to the evaluation, recruitment, training, and coaching of Team members which enable them to compete successfully and reasonably protect their health, safety, and well-being;

4.1.3. Observe and uphold all academic standards, requirements, and policies of the University and encourage Team members to perform to their highest academic potential and to graduate in a timely manner; and

4.1.4. Know, recognize, and comply with all applicable laws and the policies, rules and regulations of the University, the University's governing board, the conference, and the NCAA; supervise and take appropriate steps to ensure that Coach's assistant coaches, any other employees for whom Coach is administratively responsible, and the members of the Team know, recognize, and comply with all such laws, policies, rules and regulations; and immediately report to the Director and to the Department's Director of Compliance if Coach has reasonable cause to believe that any person or entity, including without limitation representatives of the University's

athletic interests, has violated or is likely to violate any such laws, policies, rules or regulations. Coach shall cooperate fully with the University and Department at all times. The names or titles of employees whom Coach supervises are attached as Exhibit C. The applicable laws, policies, rules, and regulations include: (a) State Board of Education and Board of Regents of the University of Idaho Governing Policies and Procedures and Rule Manual; (b) University's Handbook; (c) University's Administrative Procedures Manual; (d) the policies of the Department; (e) NCAA rules and regulations; and (f) the rules and regulations of the Big Sky conference of which the University is a member.

4.2 Outside Activities. Coach shall not undertake any business, professional or personal activities, or pursuits that would prevent Coach from devoting Coach's full time and best efforts to the performance of Coach's duties under this Agreement, that would otherwise detract from those duties in any manner, or that, in the opinion of the University, would reflect adversely upon the University or its athletic program. Subject to the terms and conditions of this Agreement, Coach may, with the prior written approval of the Director, who may consult with the President, enter into separate arrangements for outside activities and endorsements which are consistent with Coach's obligations under this Agreement. Coach may not use the University's name, logos, or trademarks in connection with any such arrangements without the prior written approval of the Director and the President.

4.3 NCAA Rules. In accordance with NCAA rules, Coach shall obtain prior written approval from the University's President for all athletically related income and benefits from sources outside the University and shall report the source and amount of all such income and benefits to the University's President whenever reasonably requested, but in no event less than annually before the close of business on June 30th of each year or the last regular University work day preceding June 30th. The report shall be in a format reasonably satisfactory to University. In no event shall Coach accept or receive directly or indirectly any monies, benefits, or gratuities whatsoever from any person, association, corporation, University booster club, University alumni association, University foundation, or other benefactor, if the acceptance or receipt of the monies, benefits, or gratuities would violate applicable law or the policies, rules, and regulations of the University, the University's governing board, the conference, or the NCAA.

4.4 Hiring Authority. Coach shall have the responsibility and the sole authority to recommend to the Director the hiring and termination of assistant coaches for the Team, but the decision to hire or terminate an assistant coach shall be made by the Director and shall, when necessary or appropriate, be subject to the approval of President and the University's Board of Trustees.

4.5 Scheduling. Coach shall consult with, and may make recommendations to, the Director or the Director's designee with respect to the scheduling of Team competitions, but the final decision shall be made by the Director or the Director's designee.

4.6 Other Coaching Opportunities. Coach shall not, under any circumstances, interview for, negotiate for, or accept employment as a coach at any other institution of higher education or with any professional sports team, requiring performance of duties prior to the

expiration of this Agreement, without the prior approval of the Director. Such approval shall not unreasonably be withheld.

**ARTICLE 5**

5.1 Termination of Coach for Cause. The University may, in its discretion, suspend Coach from some or all of Coach's duties, temporarily or permanently, and with or without pay; reassign Coach to other duties; or terminate this Agreement at any time for good or adequate cause, as those terms are defined in applicable rules and regulations.

5.1.1 In addition to the definitions contained in applicable rules and regulations, University and Coach hereby specifically agree that the following shall constitute good or adequate cause for suspension, reassignment, or termination of this Agreement:

- a) A deliberate or major violation of Coach's duties under this agreement or the refusal or unwillingness of Coach to perform such duties in good faith and to the best of Coach's abilities;
- b) The failure of Coach to remedy any violation of any of the terms of this agreement within 30 days after written notice from the University;
- c) A deliberate or major violation by Coach of any applicable law or the policies, rules or regulations of the University, the University's governing board, the conference or the NCAA, including but not limited to any such violation which may have occurred during the employment of Coach at another NCAA or member institution;
- d) Ten (10) working days' absence of Coach from duty without the University's consent;
- e) Any conduct of Coach that constitutes moral turpitude or that would, in the University's judgment, reflect adversely on the University or its athletic programs;
- f) The failure of Coach to represent the University and its athletic programs positively in public and private forums;
- g) The failure of Coach to fully and promptly cooperate with the NCAA or the University in any investigation of possible violations of any applicable law or the policies, rules or regulations of the University, the University's governing board, the conference, or the NCAA;
- h) The failure of Coach to report a known violation of any applicable law or the policies, rules or regulations of the University, the University's governing board, the conference, or the NCAA, by one of Coach's

assistant coaches, any other employees for whom Coach is administratively responsible, or a member of the Team; or

- i) A violation of any applicable law or the policies, rules or regulations of the University, the University's governing board, the conference, or the NCAA, by one of Coach's assistant coaches, any other employees for whom Coach is administratively responsible, or a member of the Team if Coach knew or should have known of the violation and could have prevented it by ordinary supervision.

5.1.2 Suspension, reassignment, or termination for good or adequate cause shall be effectuated by the University as follows: before the effective date of the suspension, reassignment, or termination, the Director or his designee shall provide Coach with notice, which notice shall be accomplished in the manner provided for in this Agreement and shall include the reason(s) for the contemplated action. Coach shall then have an opportunity to respond. After Coach responds or fails to respond, University shall notify Coach whether, and if so when, the action will be effective.

5.1.3 In the event of any termination for good or adequate cause, the University's obligation to provide compensation and benefits to Coach, whether direct, indirect, supplemental or collateral, shall cease as of the date of such termination, and the University shall not be liable for the loss of any collateral business opportunities or other benefits, perquisites, or income resulting from outside activities or from any other sources.

5.1.4 If found in violation of NCAA regulations, Coach shall, in addition to the provisions of Section 5.1, be subject to disciplinary or corrective action as set forth in the provisions of the NCAA enforcement procedures. This section applies to violations occurring at the University or at previous institutions at which the Coach was employed.

## **5.2 Termination of Coach for Convenience of University.**

5.2.1 At any time after commencement of this Agreement, University, for its own convenience, may terminate this Agreement by giving ten (10) days prior written notice to Coach.

5.2.2 In the event that University terminates this Agreement for its own convenience, University shall be obligated to pay Coach, as liquidated damages and not a penalty, the salary set forth in section 3.1.1(a), excluding all deductions required by law, on the regular paydays of University until the term of this Agreement ends; provided, however, in the event Coach obtains other employment of any kind or nature after such termination, then the amount of compensation the University pays will be adjusted and reduced by the amount of compensation paid Coach as a result of such other employment, such adjusted compensation to be calculated for each University pay-period by reducing the gross salary set forth in section 3.1.1(a) (before deductions required by law) by the gross compensation paid to Coach under the other employment, then subtracting from this adjusted gross compensation deduction according to law. In addition, Coach will be entitled to continue his health insurance plan and group life

insurance as if he remained a University employee until the term of this Agreement ends or until Coach obtains employment or any other employment providing Coach with a reasonably comparable health plan and group life insurance, whichever occurs first. Coach shall be entitled to no other compensation or fringe benefits, except as otherwise provided herein or required by law. Coach specifically agrees to inform University within ten business days of obtaining other employment, and to advise University of all relevant terms of such employment, including without limitation the nature and location of employment, salary, other compensation, health insurance benefits, life insurance benefits, and other fringe benefits. Failure to so inform and advise University shall constitute a material breach of this Agreement and University's obligation to pay compensation under this provision shall end. Coach agrees not to accept employment for compensation at less than the fair value of Coach's services, as determined by all circumstances existing at the time of employment. Coach further agrees to repay to University all compensation paid to him by University after the date he obtains other employment, to which he is not entitled under this provision. Further, in the event that Coach accepts a volunteer position as a coach (whether head or assistant) at any college or university during the period after this Agreement has been terminated and before the end of the term, then the amount of compensation the University pays will be adjusted and reduced by fair market value of the Coach's volunteer services.

5.2.3 The parties have both been represented by legal counsel in the contract negotiations and have bargained for and agreed to the foregoing liquidated damages provision, giving consideration to the fact that the Coach may lose certain benefits, supplemental compensation, or outside compensation relating to his employment with University, which damages are extremely difficult to determine with certainty. The parties further agree that the payment of such liquidated damages by University and the acceptance thereof by Coach shall constitute adequate and reasonable compensation to Coach for the damages and injury suffered by Coach because of such termination by University. The liquidated damages are not, and shall not be construed to be, a penalty.

### 5.3 Termination by Coach for Convenience.

5.3.1 The Coach recognizes that his promise to work for University for the entire term of this Agreement is of the essence of this Agreement. The Coach also recognizes that the University is making a highly valuable investment in his employment by entering into this Agreement and that its investment would be lost were he to resign or otherwise terminate his employment with the University before the end of the contract term.

5.3.2 The Coach, for his own convenience, may terminate this Agreement during its term by giving prior written notice to the University. Termination shall be effective ten (10) days after notice is given to the University.

5.3.3 If the Coach terminates this Agreement for convenience at any time, all obligations of the University shall cease as of the effective date of the termination. If the Coach terminates this Agreement for his convenience he shall pay to the University, as liquidated damages and not a penalty, for the breach of this Agreement the following sum: (a) if the

Agreement is terminated on or before May 09, 2013, the sum of \$35,000.00; (b) if the Agreement is terminated between May 10, 2013 and May 09, 2014 inclusive, the sum of \$25,000.00; (c) if the Agreement is terminated between May 10, 2014 and May 09, 2015 inclusive, the sum of \$10,000. The liquidated damages shall be due and payable within twenty (20) days of the effective date of the termination, and any unpaid amount shall bear simple interest at a rate eight (8) percent per annum until paid.

5.3.4 The parties have both been represented by legal counsel in the contract negotiations and have bargained for and agreed to the foregoing liquidated damages provision, giving consideration to the fact that the University will incur administrative and recruiting costs in obtaining a replacement for Coach, in addition to potentially increased compensation costs if Coach terminates this Agreement for convenience, which damages are extremely difficult to determine with certainty. The parties further agree that the payment of such liquidated damages by Coach and the acceptance thereof by University shall constitute adequate and reasonable compensation to University for the damages and injury suffered by it because of such termination by Coach. The liquidated damages are not, and shall not be construed to be, a penalty. This section 5.3.4 shall not apply if Coach terminates this Agreement because of a material breach by the University.

5.3.5 Except as provide elsewhere in this Agreement, if Coach terminates this Agreement for convenience, he shall forfeit to the extent permitted by law his right to receive all supplemental compensation and other payments.

**5.4 Termination due to Disability or Death of Coach.**

5.4.1 Notwithstanding any other provision of this Agreement, this Agreement shall terminate automatically if Coach becomes totally or permanently disabled as defined by the University's disability insurance carrier, becomes unable to perform the essential functions of the position of head coach, or dies.

5.4.2 If this Agreement is terminated because of Coach's death, Coach's salary and all other benefits shall terminate as of the last day worked, except that the Coach's personal representative or other designated beneficiary shall be paid all compensation due or unpaid and death benefits, if any, as may be contained in any fringe benefit plan now in force or hereafter adopted by the University and due to the Coach's estate or beneficiaries thereunder.

5.4.3 If this Agreement is terminated because the Coach becomes totally or permanently disabled as defined by the University's disability insurance carrier, or becomes unable to perform the essential functions of the position of head coach, all salary and other benefits shall terminate, except that the Coach shall be entitled to receive any compensation due or unpaid and any disability-related benefits to which he is entitled by virtue of employment with the University.

5.5 Interference by Coach. In the event of termination, suspension, or reassignment, Coach agrees that Coach will not interfere with the University's student-athletes or otherwise

obstruct the University's ability to transact business or operate its intercollegiate athletics program.

5.6 No Liability. The University shall not be liable to Coach for the loss of any collateral business opportunities or any other benefits, perquisites or income from any sources that may ensue as a result of any termination of this Agreement by either party or due to death or disability or the suspension or reassignment of Coach, regardless of the circumstances.

5.7 Waiver of Rights. Because the Coach is receiving a multi-year contract and the opportunity to receive supplemental compensation and because such contracts and opportunities are not customarily afforded to University employees, if the University suspends or reassigns Coach, or terminates this Agreement for good or adequate cause or for convenience, Coach shall have all the rights provided for in this Agreement but hereby releases the University from compliance with the notice, appeal, and similar employment-related rights provide for in the State Board of Education and Board or Regents of the University of Idaho Rule Manual (IDAPA 08) and Governing Policies and Procedures Manual, and the University Faculty-Staff Handbook.

5.8 Coach agrees that in the event of a termination of this Agreement pursuant to this Article 5, the University may, at its sole option, require Coach to take any or all of his accrued unused vacation days prior to the effective date of the termination.

## **ARTICLE 6**

6.1 Board Approval. This Agreement shall not be effective until and unless approved of the University's Board of Trustees and executed by both parties as set forth below. In addition, the payment of any compensation pursuant to this agreement shall be subject to the approval of the University's Board of Trustees, the President, and the Director; the sufficiency of legislative appropriations; the receipt of sufficient funds in the account from which such compensation is paid; and the Board of Trustees and University's rules regarding financial exigency.

6.2 University Property. All personal property (excluding vehicle(s) provided through the Courtesy Car Program), material, and articles of information, including, without limitation, keys, credit cards, cellular telephones, personnel records, recruiting records, team information, films, statistics or any other personal property, material, or data, furnished to Coach by the University or developed by Coach on behalf of the University or at the University's direction or for the University's use or otherwise in connection with Coach's employment hereunder are and shall remain the sole property of the University. Within twenty-four (24) hours of the expiration of the term of this agreement or its earlier termination as provided herein, Coach shall immediately cause any such personal property, materials, and articles of information in Coach's possession or control to be delivered to the Director.

6.3 Assignment. Neither party may assign its rights or delegate its obligations under this Agreement without the prior written consent of the other party.

6.4 Waiver. No waiver of any default in the performance of this Agreement shall be effective unless in writing and signed by the waiving party. The waiver of a particular breach in the performance of this Agreement shall not constitute a waiver of any other or subsequent breach. The resort to a particular remedy upon a breach shall not constitute a waiver of any other available remedies.

6.5 Severability. If any provision of this Agreement is determined to be invalid or unenforceable, the remainder of the Agreement shall not be affected and shall remain in effect.

6.6 Governing Law. This Agreement shall be subject to and construed in accordance with the laws of the state of Idaho as an agreement to be performed in Idaho. Any action based in whole or in part on this Agreement shall be brought in the courts of the state of Idaho.

6.7 Oral Promises. Oral promises of an increase in annual salary or of any supplemental or other compensation shall not be binding upon the University.

6.8 Force Majeure. Any prevention, delay or stoppage due to strikes, lockouts, labor disputes, acts of God, inability to obtain labor or materials or reasonable substitutes therefor, governmental restrictions, governmental regulations, governmental controls, enemy or hostile governmental action, civil commotion, fire or other casualty, and other causes beyond the reasonable control of the party obligated to perform (including financial inability), shall excuse the performance by such party for a period equal to any such prevention, delay or stoppage.

6.9 Confidentiality. The Coach hereby consents and agrees that this document may be released and made available to the public after it is signed by the Coach. The Coach further agrees that all documents and reports he is required to produce under this Agreement may be released and made available to the public at the University's sole discretion.

6.10 Notices. Any notice under this Agreement shall be in writing and be delivered in person or by public or private courier service (including U.S. Postal Service Express Mail) or certified mail with return receipt requested or by facsimile. All notices shall be addressed to the parties at the following addresses or at such other addresses as the parties may from time to time direct in writing:

the University: Director of Athletics

Jeffrey K. Tingey  
921 S. 8<sup>th</sup> Ave. Stop 8173  
Pocatello, ID 83209-8173

with a copy to: President

Arthur Vailas  
921 S. 8<sup>th</sup> Ave. Stop  
Pocatello, ID 83209-

the Coach:

William L. Evans



Last known address on file with  
University's Human Resource Services

Any notice shall be deemed to have been given on the earlier of: (a) actual delivery or refusal to accept delivery, (b) the date of mailing by certified mail, or (c) the day facsimile delivery is verified. Actual notice, however and from whomever received, shall always be effective.

6.11 Headings. The headings contained in this Agreement are for reference purposes only and shall not in any way affect the meaning or interpretation hereof.

6.12 Binding Effect. This Agreement is for the benefit only of the parties hereto and shall inure to the benefit of and bind the parties and their respective heirs, legal representatives, successors and assigns.

6.13 Non-Use of Names and Trademarks. The Coach shall not, without the University's prior written consent in each case, use any name, trade name, trademark, or other designation of the University (including contraction, abbreviation or simulation), except in the course and scope of his official University duties.

6.14 No Third Party Beneficiaries. There are no intended or unintended third party beneficiaries to this Agreement.

6.15 Entire Agreement; Amendments. This Agreement constitutes the entire agreement of the parties and supersedes all prior agreements and understandings with respect to the same subject matter. No amendment or modification of this Agreement shall be effective unless in writing, signed by both parties, and approved by University's Board of Trustees.

6.16 Opportunity to Consult with Attorney. The Coach acknowledges that he has had the opportunity to consult and review this Agreement with an attorney. Accordingly, in all cases, the language of this Agreement shall be construed simply, according to its fair meaning, and not strictly for or against any party.

IDAHO STATE UNIVERSITY

COACH

\_\_\_\_\_  
Arthur C. Vailas, President                      Date

\_\_\_\_\_  
William L. Evans                                      Date

Approved by the Board of Trustees on the \_\_\_\_ day of \_\_\_\_\_, 2012.

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**(MODEL ATHLETICS CONTRACT)****EMPLOYMENT AGREEMENT**

This Employment Agreement (Agreement) is entered into by and between \_\_\_\_\_  
~~(Idaho State~~ University (~~College~~), University) and \_\_\_\_\_ William L. Evans  
 (Coach).

**ARTICLE 1**

1.1. Employment. Subject to the terms and conditions of this Agreement, the University ~~(College)~~ shall employ Coach as the head coach of its intercollegiate ~~(Sport)~~ men's basketball team (Team). Coach represents and warrants that Coach is fully qualified to serve, and is available for employment, in this capacity.

1.2. Reporting Relationship. Coach shall report and be responsible directly to the ~~University (College)'s~~ University's Director of Athletics (Director) or the Director's designee. Coach shall abide by the reasonable instructions of Director or the Director's designee and shall confer with the Director or the Director's designee on all administrative and technical matters. Coach shall also be under the general supervision of the ~~University (College)'s~~ University's President (President).

1.3. Duties. Coach shall manage and supervise the Team and shall perform such other duties in the ~~University (College)'s~~ University's athletic program as the Director may assign and as may be described elsewhere in this Agreement. The University ~~(College)~~ shall have the right, at any time, to reassign Coach to duties at the University ~~(College)~~ other than as head coach of the Team, provided that Coach's compensation and benefits shall not be affected by any such reassignment, except that the opportunity to earn supplemental compensation as provided in sections 3.2.1 through ~~(Depending on supplemental pay provisions used)~~ 3.2.6 shall cease.

**ARTICLE 2**

2.1. Term. This Agreement is for a fixed-term appointment of \_\_\_\_\_ ~~(—four ( 4 )~~ years, commencing on March 09, 2012 and terminating, without further notice to Coach, on May 09, 2016 unless sooner terminated in accordance with other provisions of this Agreement.

2.2. Extension or Renewal. This Agreement is renewable solely upon an offer from the University ~~(College)~~ and an acceptance by Coach, both of which must be in writing and signed by the parties. Any renewal is subject to the prior approval of ~~University (College)'s~~ University's Board of ~~(Regents or Trustees)~~. This Agreement in no way grants to Coach a claim to tenure in employment, nor shall Coach's service pursuant to this agreement count in any way toward tenure at the University ~~(College)~~.

## ARTICLE 3

3.1 Regular Compensation.

3.1.1 In consideration of Coach's services and satisfactory performance of this Agreement, the University ~~(College)~~ shall provide to Coach:

- a) An annual salary of \$ ~~\_\_\_\_\_~~ \$102,752.00 per year, payable in biweekly installments in accordance with normal University ~~(College)~~ procedures, and such salary increases as may be determined appropriate by the Director and President and approved by the ~~University (College)'s~~ University's Board of ~~-(Regents or Trustees)-~~ \_\_\_\_\_;
- b) The opportunity to receive such employee benefits as the University ~~(College)~~ provides generally to non-faculty exempt employees; and
- c) The opportunity to receive such employee benefits as the ~~University (College)'s~~ University's Department of Athletics (Department) provides generally to its employees of a comparable level. Coach hereby agrees to abide by the terms and conditions, as now existing or hereafter amended, of such employee benefits.

3.2 Supplemental Compensation

3.2.1. Each year the Team is the conference champion or co-champion ~~and also becomes eligible for a (bowl game pursuant to NCAA Division I guidelines or post season tournament or post season playoffs)~~, and if Coach continues to be employed as ~~University (College)'s~~ University's head ~~(Sport) Men's Basketball~~ coach as of the ensuing ~~July~~ May 1st, the University ~~(College)~~ shall pay to Coach supplemental compensation in an amount equal to ~~\_\_\_\_\_(amount or computation)\_\_\_\_\_ of two week's pay (2/52 x Annual Salary)~~ of Coach's Annual Salary during the fiscal year in which the championship ~~and (bowl or other post season) eligibility are~~ is achieved. The University ~~(College)~~ shall determine the appropriate manner in which it shall pay Coach any such supplemental compensation.

~~3.2.2~~

3.2.2. Each year the ~~Team~~ Coach is ~~ranked in~~ named as the ~~top 25 in Conference~~ Coach of the ~~(national rankings, such as final ESPN/USA Today coaches poll of Division IA football teams)~~ \_\_\_\_\_ Year, and if Coach continues to be employed as ~~University (College)'s~~ University's head ~~(Sport) Men's Basketball~~ coach as of the ensuing ~~July~~ May 1st, the University ~~(College)~~ shall pay to Coach supplemental compensation in an amount equal to ~~\_\_\_\_\_(amount or computation)\_\_\_\_\_ of Coach's two week's pay (2/52 x Annual Salary in effect on) of~~

Coach's Annual Salary during the date of the final poll fiscal year in which the championship is achieved. The University (College) shall determine the appropriate manner in which it shall pay Coach any such supplemental compensation.

3.2.3. Each year the Team either wins the Big Sky Conference tournament or obtains an NCAA Men's Basketball Tournament berth, and if Coach continues to be employed as University's head Men's Basketball coach as of the ensuing May 1st, the University shall pay to Coach supplemental compensation in an amount equal to two week's pay (2/52 x Annual Salary) of Coach's Annual Salary during the fiscal year in which the post-season participation are achieved. The University shall determine the appropriate manner in which it shall pay Coach any such supplemental compensation.

3.2.4. ~~3.2.3~~ Each year Coach shall be eligible to receive supplemental compensation in an amount up to ~~-(amount or computation)-~~ \$15,000 based on the academic achievement and behavior of Team members. The determination of whether Coach will receive such supplemental compensation and the timing of the payment(s) shall be at the discretion of the President in consultation with the Director and approved by the University (College)'s University's Board of ~~-(Regents or Trustees)-~~. The determination shall be based on the following factors: ~~grade point averages; difficulty of major course of study; honors such as scholarships, designation as Academic All-American, and conference academic recognition; progress toward graduation for all athletes, but particularly those who entered the University (College) as academically at risk students;~~ the conduct of Team members on the University (College) campus, at authorized University (College) activities, in the community, and elsewhere; and the Team's four-year APR national ranking based on attainment of the following levels:

<u>Team APR Ranking</u>	<u>Incentive Pay</u>
<u>60%-69%</u>	<u>\$ 7,000.00</u>
<u>70%-79%</u>	<u>\$ 10,000.00</u>
<u>80% or above</u>	<u>\$ 15,000.00</u>

Any such supplemental compensation paid to Coach shall be accompanied with a detailed justification for the supplemental compensation based on the factors listed above and such justification shall be separately reported to the Board of ~~-(Regents or Trustees)~~ as a document available to the public under the Idaho Public Records Act.

~~3.2.4 Each year Coach shall be eligible to receive supplemental compensation in an amount up to ~~-(amount or computation)-~~ based on the overall development of the intercollegiate (men's/women's) ~~(Sport)~~ program; ticket sales; fundraising; outreach by Coach to various constituency groups, including University (College) students, staff, faculty, alumni and boosters; and any other factors the President wishes to consider. The determination of whether Coach will receive such supplemental compensation and the timing of the payment(s) shall be at the discretion of the President in consultation with the Director and approved by the University (College)'s Board of ~~-(Regents or Trustees)-~~.~~

~~3.2.5~~ 3.2.5 Record Bonus. The University must pay to Coach supplemental compensation in the amount of \$6,000 for winning twenty (20) or more regular season men's basketball games, provided that the Coach continues to be employed as University's head Men's Basketball coach as of the ensuing May 1<sup>st</sup>.

3.2.6 Each year the Team advances in the NCAA Men's Basketball Tournament, and if Coach continues to be employed as University's head Men's Basketball coach as of the ensuing May 1st, the University shall pay Coach supplemental compensation in an amount equal to the terms below. The University shall determine the appropriate manner in which it shall pay Coach any such supplemental compensation.

Play-In	65 Teams		\$2,000.00
Round 1	64 Teams	1 <sup>st</sup> win	\$5,000.00
Round 2	32 Teams	2 <sup>nd</sup> win	\$10,000.00
Round 3	16 Teams	3 <sup>rd</sup> win	\$12,000.00
Round 4	8 Teams	4 <sup>th</sup> win	\$15,000.00
Round 5	4 Teams	5 <sup>th</sup> win	\$20,000.00
Round 6	2 Teams	6 <sup>th</sup> win	\$30,000.00

Possible national championship winner computation bonus total: \$92,000.00 / \$94,000.00

3.2.7 Each year the Team advances in the NIT Men's Basketball Post-Season Tournament, and if Coach continues to be employed as University's head Men's Basketball coach as of the ensuing May 1st, the University shall pay Coach supplemental compensation in an amount equal to the terms below. The University shall determine the appropriate manner in which it shall pay Coach any such supplemental compensation.

Round 1	32 Teams	1 <sup>st</sup> win	\$2,000.00
Round 2	16 Teams	2 <sup>nd</sup> win	\$3,000.00
Round 3	8 Teams	3 <sup>rd</sup> win	\$4,000.00
Round 4	4 Teams	4 <sup>th</sup> win	\$5,000.00
Round 5	2 Teams	5 <sup>th</sup> win	\$6,000.00

Possible bonus computation total for winning NIT Men's Basketball Post-Season Tournament:  
\$20,000.00

3.2.8 The Coach shall receive the sum of ~~-(amount or computation)-~~ \$20,000 from the University ~~(College)~~ or the University (College)'s designated media outlet(s) or a combination thereof each year during the term of this Agreement in compensation for participation in media programs ~~and~~ public appearances (Programs~~;-~~) and all Bengal Athletic Booster events. Coach's right to receive such a payment shall vest on the date of the Team's last regular season or post-season competition, whichever occurs later. This sum shall be paid ~~(terms or conditions of payment)~~ in one lump sum. Agreements requiring the Coach to

participate in Programs related to his duties as an employee of University ~~(College)~~ are the property of the University ~~(College)~~. The University ~~(College)~~ shall have the exclusive right to negotiate and contract with all producers of media productions and all parties desiring public appearances by the Coach. Coach agrees to cooperate with the University ~~(College)~~ in order for the Programs to be successful and agrees to provide his services to and perform on the Programs and to cooperate in their production, broadcasting, and telecasting. It is understood that neither Coach nor any assistant coaches shall appear without the prior written approval of the Director on any competing radio or television program (including but not limited to a coach's show, call-in show, or interview show) or a regularly scheduled news segment, except that this prohibition shall not apply to routine news media interviews for which no compensation is received. Without the prior written approval of the Director, Coach shall not appear in any commercial endorsements which are broadcast on radio or television that conflict with those broadcast on the University ~~(College)~~'s designated media outlets.

3.2.69 (SUMMER CAMP—OPERATED BY UNIVERSITY ~~(COLLEGE)~~)  
Coach agrees that the University ~~(College)~~ has the exclusive right to operate youth ~~(Sport)—Men's Basketball~~ camps on its campus using University ~~(College)~~ facilities. The University ~~(College)~~ shall allow Coach the opportunity to earn supplemental compensation by assisting with the ~~University (College)'s~~ University's camps in Coach's capacity as a University ~~(College)~~ employee. Coach hereby agrees to assist in the marketing, supervision, and general administration of the ~~University (College)'s football~~ University's men's basketball camps. Coach also agrees that Coach will perform all obligations mutually agreed upon by the parties. In exchange for Coach's participation in the ~~University (College)'s~~ University's summer ~~football~~ men's basketball camps, ~~the University (College) shall pay Coach (amount) any net revenues resulting from the camp~~ per year as supplemental compensation during each year of his employment as head ~~(Sport) Men's Basketball~~ coach at the University ~~(College)~~, or direct those net revenues as an enhancement to the Men's Basketball program budget at the University. This amount shall be paid ~~(terms of payment)~~ within 30 days after all camp bills have been paid.

~~(SUMMER CAMP OPERATED BY COACH) Coach may operate a summer youth (Sport) camp at the University (College) under the following conditions:~~

- ~~a) The summer youth camp operation reflects positively on the University (College) and the Department;~~
- ~~b) The summer youth camp is operated by Coach directly or through a private enterprise owned and managed by Coach. The Coach shall not use University (College) personnel, equipment, or facilities without the prior written approval of the Director;~~
- ~~c) Assistant coaches at the University (College) are given priority when the Coach or the private enterprise selects coaches to participate;~~

- d) ~~The Coach complies with all NCAA (NAIA), Conference, and University (College) rules and regulations related, directly or indirectly, to the operation of summer youth camps;~~
- e) ~~The Coach or the private enterprise enters into a contract with University (College) and \_\_\_\_\_ (campus concessionaire) for all campus goods and services required by the camp.~~
- f) ~~The Coach or private enterprise pays for use of University (College) facilities including the \_\_\_\_\_.~~
- g) ~~Within thirty days of the last day of the summer youth camp(s), Coach shall submit to the Director a preliminary "Camp Summary Sheet" containing financial and other information related to the operation of the camp. Within ninety days of the last day of the summer youth camp(s), Coach shall submit to Director a final accounting and "Camp Summary Sheet." A copy of the "Camp Summary Sheet" is attached to this Agreement as an exhibit.~~
- h) ~~The Coach or the private enterprise shall provide proof of liability insurance as follows: (1) liability coverage: spectator and staff \$1 million; (2) catastrophic coverage: camper and staff \$1 million maximum coverage with \$100 deductible;~~
- i) ~~To the extent permitted by law, the Coach or the private enterprise shall defend and indemnify the University (College) against any claims, damages, or liabilities arising out of the operation of the summer youth camp(s)~~
- j) ~~All employees of the summer youth camp(s) shall be employees of the Coach or the private enterprise and not the University (College) while engaged in camp activities. The Coach and all other University (College) employees involved in the operation of the camp(s) shall be on annual leave status or leave without pay during the days the camp is in operation. The Coach or private enterprise shall provide workers' compensation insurance in accordance with Idaho law and comply in all respects with all federal and state wage and hour laws~~

~~In the event of termination of this Agreement, suspension, or reassignment, University (College) shall not be under any obligation to permit a summer youth camp to be held by the Coach after the effective date of such termination, suspension, or reassignment, and the University (College) shall be released from all obligations relating thereto.~~

3.2.710 Coach agrees that the University ~~(College)~~ has the exclusive right to select footwear, apparel and/or equipment for the use of its student-athletes and staff,



including Coach, during official practices and games and during times when Coach or the Team is being filmed by motion picture or video camera or posing for photographs in their capacity as representatives of University ~~(College)~~. Coach recognizes that the University ~~(College)~~ is negotiating or has entered into an agreement with ~~—(Company Name)—Nike~~ to supply the University ~~(College)~~ with athletic footwear, apparel and/or equipment. Coach agrees that, upon the ~~University (College)~~'s ~~University's~~ reasonable request, Coach will consult with appropriate parties concerning ~~an —(Company Name)—a Nike~~ product's design or performance, shall act as an instructor at a clinic sponsored in whole or in part by ~~—(Company Name)—Nike~~, or give a lecture at an event sponsored in whole or in part by ~~—(Company Name)—Nike~~, or make other educationally-related appearances as may be reasonably requested by the University ~~(College)~~. Notwithstanding the foregoing sentence, Coach shall retain the right to decline such appearances as Coach reasonably determines to conflict with or hinder his duties and obligations as head ~~(Sport)—Men's Basketball~~ coach. In order to avoid entering into an agreement with a competitor of ~~—(Company Name)—Nike~~, Coach shall submit all outside consulting agreements to the University ~~(College)~~ for review and approval prior to execution. Coach shall also report such outside income to the University ~~(College)~~ in accordance with NCAA ~~(or NAIA)~~ rules. Coach further agrees that Coach will not endorse any athletic footwear, apparel and/or equipment products, including ~~—(Company Name), Nike~~, and will not participate in any messages or promotional appearances which contain a comparative or qualitative description of athletic footwear, apparel or equipment products.

3.3 General Conditions of Compensation. All compensation provided by the University ~~(College)~~ to Coach is subject to deductions and withholdings as required by law or the terms and conditions of any fringe benefit in which Coach participates. However, if any fringe benefit is based in whole or in part upon the compensation provided by the University ~~(College)~~ to Coach, such fringe benefit shall be based only on the compensation provided pursuant to section 3.1.1, except to the extent required by the terms and conditions of a specific fringe benefit program.

## ARTICLE 4

4.1. Coach's Specific Duties and Responsibilities. In consideration of the compensation specified in this Agreement, Coach, in addition to the obligations set forth elsewhere in this Agreement, shall:

4.1.1. Devote Coach's full time and best efforts to the performance of Coach's duties under this Agreement;

4.1.2. Develop and implement programs and procedures with respect to the evaluation, recruitment, training, and coaching of Team members which enable them to compete successfully and reasonably protect their health, safety, and well-being;

4.1.3. Observe and uphold all academic standards, requirements, and policies of the University ~~(College)~~ and encourage Team members to perform to their highest academic potential and to graduate in a timely manner; and

4.1.4. Know, recognize, and comply with all applicable laws and the policies, rules and regulations of the University ~~–(College)–~~, the University (College)'s University's governing board, the conference, and the NCAA ~~–(or NAIA)–~~; supervise and take appropriate steps to ensure that Coach's assistant coaches, any other employees for whom Coach is administratively responsible, and the members of the Team know, recognize, and comply with all such laws, policies, rules and regulations; and immediately report to the Director and to the Department's Director of Compliance if Coach has reasonable cause to believe that any person or entity, including without limitation representatives of the University (College)'s University's athletic interests, has violated or is likely to violate any such laws, policies, rules or regulations. Coach shall cooperate fully with the University ~~(College)~~ and Department at all times. The names or titles of employees whom Coach supervises are attached as Exhibit C. The applicable laws, policies, rules, and regulations include: (a) State Board of Education and Board of Regents of the University of Idaho Governing Policies and Procedures and Rule Manual; (b) University (College)'s University's Handbook; (c) University (College)'s University's Administrative Procedures Manual; (d) the policies of the Department; (e) NCAA ~~(or NAIA)~~ rules and regulations; and (f) the rules and regulations of the ~~–(Sport)– Big Sky~~ conference of which the University ~~(College)~~ is a member.

4.2 Outside Activities. Coach shall not undertake any business, professional or personal activities, or pursuits that would prevent Coach from devoting Coach's full time and best efforts to the performance of Coach's duties under this Agreement, that would otherwise detract from those duties in any manner, or that, in the opinion of the University ~~–(College)–~~, would reflect adversely upon the University ~~(College)~~ or its athletic program. Subject to the terms and conditions of this Agreement, Coach may, with the prior written approval of the Director, who may consult with the President, enter into separate arrangements for outside activities and endorsements which are consistent with Coach's obligations under this Agreement. Coach may not use the University (College)'s University's name, logos, or trademarks in connection with any such arrangements without the prior written approval of the Director and the President.

4.3 NCAA ~~(or NAIA)~~ Rules. In accordance with NCAA ~~(or NAIA)~~ rules, Coach shall obtain prior written approval from the University (College)'s University's President for all athletically related income and benefits from sources outside the University ~~(College)~~ and shall report the source and amount of all such income and benefits to the University (College)'s University's President whenever reasonably requested, but in no event less than annually before the close of business on June 30th of each year or the last regular University ~~(College)~~ work day preceding June 30th. The report shall be in a format reasonably satisfactory to University ~~(College)~~. In no event shall Coach accept or receive directly or indirectly any monies, benefits, or gratuities whatsoever from any person, association, corporation, University ~~(College)~~ booster club, University ~~(College)~~ alumni association, University ~~(College)~~ foundation, or other benefactor, if the acceptance or receipt of the monies, benefits, or gratuities would violate applicable law or the policies, rules, and regulations of the University ~~–(College)–~~, the University (College)'s University's governing board, the conference, or the NCAA ~~(or NAIA)~~.

4.4 Hiring Authority. Coach shall have the responsibility and the sole authority to recommend to the Director the hiring and termination of assistant coaches for the Team, but the

decision to hire or terminate an assistant coach shall be made by the Director and shall, when necessary or appropriate, be subject to the approval of President and the University (College)'s University's Board of ~~Trustees or Regents~~.

4.5 Scheduling. Coach shall consult with, and may make recommendations to, the Director or the Director's designee with respect to the scheduling of Team competitions, but the final decision shall be made by the Director or the Director's designee.

4.76 Other Coaching Opportunities. Coach shall not, under any circumstances, interview for, negotiate for, or accept employment as a coach at any other institution of higher education or with any professional sports team, requiring performance of duties prior to the expiration of this Agreement, without the prior approval of the Director. Such approval shall not unreasonably be withheld.

## ARTICLE 5

5.1 Termination of Coach for Cause. The University ~~(College)~~ may, in its discretion, suspend Coach from some or all of Coach's duties, temporarily or permanently, and with or without pay; reassign Coach to other duties; or terminate this Agreement at any time for good or adequate cause, as those terms are defined in applicable rules and regulations.

5.1.1 In addition to the definitions contained in applicable rules and regulations, University ~~(College)~~ and Coach hereby specifically agree that the following shall constitute good or adequate cause for suspension, reassignment, or termination of this Agreement:

- a) A deliberate or major violation of Coach's duties under this agreement or the refusal or unwillingness of Coach to perform such duties in good faith and to the best of Coach's abilities;
- b) The failure of Coach to remedy any violation of any of the terms of this agreement within 30 days after written notice from the University ~~(College)~~;
- c) A deliberate or major violation by Coach of any applicable law or the policies, rules or regulations of the University ~~(College)~~, the University (College)'s University's governing board, the conference or the NCAA ~~(NAIA)~~, including but not limited to any such violation which may have occurred during the employment of Coach at another NCAA or ~~NAIA~~ member institution;
- d) Ten (10) working days' absence of Coach from duty without the University (College)'s University's consent;
- e) Any conduct of Coach that constitutes moral turpitude or that would, in the University (College)'s University's judgment, reflect adversely on the University ~~(College)~~ or its athletic programs;

- f) The failure of Coach to represent the University ~~(College)~~ and its athletic programs positively in public and private forums;
- g) The failure of Coach to fully and promptly cooperate with the NCAA ~~(NAIA)~~ or the University ~~(College)~~ in any investigation of possible violations of any applicable law or the policies, rules or regulations of the University ~~(College)~~; the University (College)'s University's governing board, the conference, or the NCAA ~~(NAIA)~~;
- h) The failure of Coach to report a known violation of any applicable law or the policies, rules or regulations of the University ~~(College)~~; the University (College)'s University's governing board, the conference, or the NCAA ~~(NAIA)~~; by one of Coach's assistant coaches, any other employees for whom Coach is administratively responsible, or a member of the Team; or
- i) A violation of any applicable law or the policies, rules or regulations of the University ~~(College)~~; the University (College)'s University's governing board, the conference, or the NCAA ~~(NAIA)~~; by one of Coach's assistant coaches, any other employees for whom Coach is administratively responsible, or a member of the Team if Coach knew or should have known of the violation and could have prevented it by ordinary supervision.

5.1.2 Suspension, reassignment, or termination for good or adequate cause shall be effectuated by the University ~~(College)~~ as follows: before the effective date of the suspension, reassignment, or termination, the Director or his designee shall provide Coach with notice, which notice shall be accomplished in the manner provided for in this Agreement and shall include the reason(s) for the contemplated action. Coach shall then have an opportunity to respond. After Coach responds or fails to respond, University ~~(College)~~ shall notify Coach whether, and if so when, the action will be effective.

5.1.3 In the event of any termination for good or adequate cause, the University (College)'s University's obligation to provide compensation and benefits to Coach, whether direct, indirect, supplemental or collateral, shall cease as of the date of such termination, and the University ~~(College)~~ shall not be liable for the loss of any collateral business opportunities or other benefits, perquisites, or income resulting from outside activities or from any other sources.

5.1.4 If found in violation of NCAA ~~(NAIA)~~ regulations, Coach shall, in addition to the provisions of Section 5.1, be subject to disciplinary or corrective action as set forth in the provisions of the NCAA ~~(NAIA)~~ enforcement procedures. This section applies to violations occurring at the University ~~(College)~~ or at previous institutions at which the Coach was employed.

## 5.2 Termination of Coach for Convenience of University ~~(College)~~.

5.2.1 At any time after commencement of this Agreement, University ~~(College)~~, for its own convenience, may terminate this Agreement by giving ten (10) days prior written notice to Coach.

5.2.2 In the event that University ~~(College)~~ terminates this Agreement for its own convenience, University ~~(College)~~ shall be obligated to pay Coach, as liquidated damages and not a penalty, the salary set forth in section 3.1.1(a), excluding all deductions required by law, on the regular paydays of University ~~(College)~~ until the term of this Agreement ends; provided, however, in the event Coach obtains other employment of any kind or nature after such termination, then the amount of compensation the University pays will be adjusted and reduced by the amount of compensation paid Coach as a result of such other employment, such adjusted compensation to be calculated for each University pay-period by reducing the gross salary set forth in section 3.1.1(a) (before deductions required by law) by the gross compensation paid to Coach under the other employment, then subtracting from this adjusted gross compensation deduction according to law. In addition, Coach will be entitled to continue his health insurance plan and group life insurance as if he remained a University ~~(College)~~ employee until the term of this Agreement ends or until Coach obtains employment or any other employment providing Coach with a reasonably comparable health plan and group life insurance, whichever occurs first. Coach shall be entitled to no other compensation or fringe benefits, except as otherwise provided herein or required by law. Coach specifically agrees to inform University within ten business days of obtaining other employment, and to advise University of all relevant terms of such employment, including without limitation the nature and location of employment, salary, other compensation, health insurance benefits, life insurance benefits, and other fringe benefits. Failure to so inform and advise University shall constitute a material breach of this Agreement and University's obligation to pay compensation under this provision shall end. Coach agrees not to accept employment for compensation at less than the fair value of Coach's services, as determined by all circumstances existing at the time of employment. Coach further agrees to repay to University all compensation paid to him by University after the date he obtains other employment, to which he is not entitled under this provision. Further, in the event that Coach accepts a volunteer position as a coach (whether head or assistant) at any college or university during the period after this Agreement has been terminated and before the end of the term, then the amount of compensation the University pays will be adjusted and reduced by fair market value of the Coach's volunteer services.

5.2.3 The parties have both been represented by legal counsel in the contract negotiations and have bargained for and agreed to the foregoing liquidated damages provision, giving consideration to the fact that the Coach may lose certain benefits, supplemental compensation, or outside compensation relating to his employment with University ~~(College)~~, which damages are extremely difficult to determine with certainty. The parties further agree that the payment of such liquidated damages by University ~~(College)~~ and the acceptance thereof by Coach shall constitute adequate and reasonable compensation to Coach for the damages and injury suffered by Coach because of such termination by University ~~(College)~~. The liquidated damages are not, and shall not be construed to be, a penalty.

### 5.3 Termination by Coach for Convenience.

5.3.1 The Coach recognizes that his promise to work for University ~~(College)~~ for the entire term of this Agreement is of the essence of this Agreement. The Coach also recognizes that the University ~~(College)~~ is making a highly valuable investment in his employment by entering into this Agreement and that its investment would be lost were he to resign or otherwise terminate his employment with the University ~~(College)~~ before the end of the contract term.

5.3.2 The Coach, for his own convenience, may terminate this Agreement during its term by giving prior written notice to the University ~~(College)~~. Termination shall be effective ten (10) days after notice is given to the University ~~(College)~~.

5.3.3 If the Coach terminates this Agreement for convenience at any time, all obligations of the University ~~(College)~~ shall cease as of the effective date of the termination. If the Coach terminates this Agreement for his convenience he shall pay to the University ~~(College)~~, as liquidated damages and not a penalty, for the breach of this Agreement the following sum: (a) if the Agreement is terminated on or before May 09, 2013, the sum of ~~\$3035~~,000.00; (b) if the Agreement is terminated between May 10, 2013 and May 09, 2014 inclusive, the sum of ~~\$2025~~,000.00; (c) if the Agreement is terminated between May 10, 2014 and May 09, 2015 inclusive, the sum of \$10,000.00. The liquidated damages shall be due and payable within twenty (20) days of the effective date of the termination, and any unpaid amount shall bear simple interest at a rate eight (8) percent per annum until paid.

5.3.4 The parties have both been represented by legal counsel in the contract negotiations and have bargained for and agreed to the foregoing liquidated damages provision, giving consideration to the fact that the University ~~(College)~~ will incur administrative and recruiting costs in obtaining a replacement for Coach, in addition to potentially increased compensation costs if Coach terminates this Agreement for convenience, which damages are extremely difficult to determine with certainty. The parties further agree that the payment of such liquidated damages by Coach and the acceptance thereof by University ~~(College)~~ shall constitute adequate and reasonable compensation to University ~~(College)~~ for the damages and injury suffered by it because of such termination by Coach. The liquidated damages are not, and shall not be construed to be, a penalty. This section 5.3.4 shall not apply if Coach terminates this Agreement because of a material breach by the University ~~(College)~~.

5.3.5 Except as provide elsewhere in this Agreement, if Coach terminates this Agreement for convenience, he shall forfeit to the extent permitted by law his right to receive all supplemental compensation and other payments.

### 5.4 Termination due to Disability or Death of Coach.



5.4.1 Notwithstanding any other provision of this Agreement, this Agreement shall terminate automatically if Coach becomes totally or permanently disabled as defined by the ~~University (College)'s~~University's disability insurance carrier, becomes unable to perform the essential functions of the position of head coach, or dies.

5.4.2 If this Agreement is terminated because of Coach's death, Coach's salary and all other benefits shall terminate as of the last day worked, except that the Coach's personal representative or other designated beneficiary shall be paid all compensation due or unpaid and death benefits, if any, as may be contained in any fringe benefit plan now in force or hereafter adopted by the University ~~(College)~~and due to the Coach's estate or beneficiaries thereunder.

5.4.3 If this Agreement is terminated because the Coach becomes totally or permanently disabled as defined by the ~~University (College)'s~~University's disability insurance carrier, or becomes unable to perform the essential functions of the position of head coach, all salary and other benefits shall terminate, except that the Coach shall be entitled to receive any compensation due or unpaid and any disability-related benefits to which he is entitled by virtue of employment with the University ~~(College)~~.

5.5 Interference by Coach. In the event of termination, suspension, or reassignment, Coach agrees that Coach will not interfere with the ~~University (College)'s~~University's student-athletes or otherwise obstruct the ~~University (College)'s~~University's ability to transact business or operate its intercollegiate athletics program.

5.76 No Liability. The University ~~(College)~~ shall not be liable to Coach for the loss of any collateral business opportunities or any other benefits, perquisites or income from any sources that may ensue as a result of any termination of this Agreement by either party or due to death or disability or the suspension or reassignment of Coach, regardless of the circumstances.

5.87 Waiver of Rights. Because the Coach is receiving a multi-year contract and the opportunity to receive supplemental compensation and because such contracts and opportunities are not customarily afforded to University ~~(College)~~employees, if the University ~~(College)~~ suspends or reassigns Coach, or terminates this Agreement for good or adequate cause or for convenience, Coach shall have all the rights provided for in this Agreement but hereby releases the University ~~(College)~~ from compliance with the notice, appeal, and similar employment-related rights provide for in the State Board of Education and Board or Regents of the University of Idaho Rule Manual (IDAPA 08) and Governing Policies and Procedures Manual, and the University ~~(College)~~ Faculty-Staff Handbook.

5.8 Coach agrees that in the event of a termination of this Agreement pursuant to this Article 5, the University may, at its sole option, require Coach to take any or all of his accrued unused vacation days prior to the effective date of the termination.

## ARTICLE 6

6.1 Board Approval. This Agreement shall not be effective until and unless approved of the University (College)'s University's Board of ~~-(Regents or Trustees)-~~ and executed by both parties as set forth below. In addition, the payment of any compensation pursuant to this agreement shall be subject to the approval of the University (College)'s University's Board of ~~-(Regents or Trustees)-~~, the President, and the Director; the sufficiency of legislative appropriations; the receipt of sufficient funds in the account from which such compensation is paid; and the Board of ~~-(Regents or Trustees)-~~ and University (College)'s University's rules regarding financial exigency.

6.2 University (College) Property. All personal property (excluding vehicle(s) provided through the ~~\_\_\_\_\_ program~~ Courtesy Car Program), material, and articles of information, including, without limitation, keys, credit cards, cellular telephones, personnel records, recruiting records, team information, films, statistics or any other personal property, material, or data, furnished to Coach by the University ~~(College)~~ or developed by Coach on behalf of the University ~~(College)~~ or at the University (College)'s University's direction or for the University (College)'s University's use or otherwise in connection with Coach's employment hereunder are and shall remain the sole property of the University ~~(College)~~. Within twenty-four (24) hours of the expiration of the term of this agreement or its earlier termination as provided herein, Coach shall immediately cause any such personal property, materials, and articles of information in Coach's possession or control to be delivered to the Director.

6.3 Assignment. Neither party may assign its rights or delegate its obligations under this Agreement without the prior written consent of the other party.

6.4 Waiver. No waiver of any default in the performance of this Agreement shall be effective unless in writing and signed by the waiving party. The waiver of a particular breach in the performance of this Agreement shall not constitute a waiver of any other or subsequent breach. The resort to a particular remedy upon a breach shall not constitute a waiver of any other available remedies.

6.5 Severability. If any provision of this Agreement is determined to be invalid or unenforceable, the remainder of the Agreement shall not be affected and shall remain in effect.

6.6 Governing Law. This Agreement shall be subject to and construed in accordance with the laws of the state of Idaho as an agreement to be performed in Idaho. Any action based in whole or in part on this Agreement shall be brought in the courts of the state of Idaho.

6.7 Oral Promises. Oral promises of an increase in annual salary or of any supplemental or other compensation shall not be binding upon the University ~~(College)~~.

6.8 Force Majeure. Any prevention, delay or stoppage due to strikes, lockouts, labor disputes, acts of God, inability to obtain labor or materials or reasonable substitutes therefor, governmental restrictions, governmental regulations, governmental controls, enemy or hostile governmental action, civil commotion, fire or other casualty, and other causes beyond the reasonable control of the party obligated to perform (including financial inability), shall excuse the performance by such party for a period equal to any such prevention, delay or stoppage.



6.9 Confidentiality. The Coach hereby consents and agrees that this document may be released and made available to the public after it is signed by the Coach. The Coach further agrees that all documents and reports he is required to produce under this Agreement may be released and made available to the public at the University (College)'s University's sole discretion.

6.10 Notices. Any notice under this Agreement shall be in writing and be delivered in person or by public or private courier service (including U.S. Postal Service Express Mail) or certified mail with return receipt requested or by facsimile. All notices shall be addressed to the parties at the following addresses or at such other addresses as the parties may from time to time direct in writing:

the University ~~(College)~~: \_\_\_\_\_: \_\_\_\_\_ Director of Athletics

\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
Jeffrey K. Tingey  
921 S. 8<sup>th</sup> Ave. Stop 8173  
Pocatello, ID 83209-8173

with a copy to: \_\_\_\_\_ President

\_\_\_\_\_  
Arthur Vailas  
\_\_\_\_\_  
921 S. 8<sup>th</sup> Ave. Stop  
\_\_\_\_\_  
Pocatello, ID 83209-

the Coach:

\_\_\_\_\_  
William L. Evans  
Last known address on file with  
University (College)'s University's Human Resource Services

Any notice shall be deemed to have been given on the earlier of: (a) actual delivery or refusal to accept delivery, (b) the date of mailing by certified mail, or (c) the day facsimile delivery is verified. Actual notice, however and from whomever received, shall always be effective.

6.11 Headings. The headings contained in this Agreement are for reference purposes only and shall not in any way affect the meaning or interpretation hereof.

6.12 Binding Effect. This Agreement is for the benefit only of the parties hereto and shall inure to the benefit of and bind the parties and their respective heirs, legal representatives, successors and assigns.

6.13 Non-Use of Names and Trademarks. The Coach shall not, without the University (College)'s University's prior written consent in each case, use any name, trade name, trademark, or other designation of the University ~~(College)~~ (including contraction, abbreviation or simulation), except in the course and scope of his official University ~~(College)~~ duties.

6.14 No Third Party Beneficiaries. There are no intended or unintended third party beneficiaries to this Agreement.

6.15 Entire Agreement; Amendments. This Agreement constitutes the entire agreement of the parties and supersedes all prior agreements and understandings with respect to the same subject matter. No amendment or modification of this Agreement shall be effective unless in writing, signed by both parties, and approved by University (College)'s University's Board of —(Regents or Trustees)—.

6.16 Opportunity to Consult with Attorney. The Coach acknowledges that he has had the opportunity to consult and review this Agreement with an attorney. Accordingly, in all cases, the language of this Agreement shall be construed simply, according to its fair meaning, and not strictly for or against any party.

IDAHO STATE UNIVERSITY (COLLEGE)  
COACH

—Arthur C. Vailas, President Date —William L.  
Evans Date

Approved by the Board of —(Regents or Trustees)— on the \_\_\_\_ day of \_\_\_\_\_, 2010.  
\_\_\_\_\_, 2012.

<b>WILLIAM EVANS, HEAD BASKETBALL COACH - MULTI-YEAR CONTRACT CHANGES</b>			
	<b>MODEL CONTRACT SECTION</b>	<b>ISU CONTRACT SECTION</b>	<b>JUSTIFICATION FOR MODIFICATION</b>
1	3.2.1 Supplemental Compensation	3.2.1 Supplemental Compensation	2 weeks pay bonus for Team being conference champion or co-champion not made contingent on bowl game or post-season tournament/playoff (winning the conference tournament already qualifies the team for an automatic NCAA Tournament berth).
2	3.2.2 Supplemental Compensation	3.2.2 Supplemental Compensation	2 weeks pay bonus for attaining top 25 ranking replaced with same bonus for Coach being named conference coach of the year as this is more applicable.
3	None	3.2.3 Supplemental Compensation	Added 2 weeks pay bonus for winning the Big Sky tournament or obtaining an NCAA tournament berth added for extra incentive to improve team performance.
4	3.2.3 Supplemental Compensation	3.2.4 Supplemental Compensation	This bonus of up to \$15,000 is based on the Team's 4-year APR ranking as the criteria for academic achievement as this has been a key focus and issue for the University.
5	3.2.4 Supplemental Compensation	3.2.5 Supplemental Compensation	Changed bonus opportunity based on program development, ticket sales and fundraising to a bonus opportunity of up to \$6,000 for winning 20 or more regular season games as this would be a good first step to higher attendance, donations, etc.
6	None	3.2.6 Supplemental Compensation	Added bonus opportunity of up to \$94,000 based on number of wins in the NCAA Men's Basketball Tournament.
7	None	3.2.7 Supplemental Compensation	Added bonus opportunity of up to \$20,000 based on number of wins in the NIT Men's Basketball Tournament.
8	3.2.5 Supplemental Compensation	3.2.8 Supplemental Compensation	Bonus opportunity for media participation set at \$20,000 and added specific reference to attending Bengal Athletic Booster events as this is an important requirement.
9	3.2.6 Summer Camp Operated by University	3.2.9 Summer Camp Operated by University	University has decided to provide a University-operated summer camp only. Coach has the option not to take supplemental compensation for assisting with this camp and to instead have the funds used to enhance the budget of the Basketball Program.
10	5.2.2 Termination of Coach for Convenience	5.2.2 Termination of Coach for Convenience	Added provision that if Coach is terminated and accepts a volunteer position as a coach, the amount of compensation paid by the University will be reduced by the fair market value of the volunteer services. This is to prevent a coach from working for another program while the University pays his full salary.
11	None	5.8	Added a provision that in the event of a termination, the University may require the Coach to take his accrued vacation prior to the effective date of the termination. This is to prevent the situation where the Coach is not working at the end of the contract but does not take vacation days and thereby receives a payout of accrued vacation upon termination of the contract.

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**BUSINESS AFFAIRS & HUMAN RESOURCES**  
**AUGUST 16, 2012**

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**UNIVERSITY OF IDAHO**

**SUBJECT**

Agreement for employee benefits life and disability insurance

**REFERENCE**

April 2005	Board approved contract with Aon Consulting Inc., for benefits consulting
June 2008	Board approved contract with Buck Consultants, LLC, for benefits consulting

**APPLICABLE STATUTE, RULE, OR POLICY**

Idaho State Board of Education Governing Policies & Procedures, Section V.13.a.

**BACKGROUND/DISCUSSION**

The University of Idaho provides significant and competitive employee benefits to its faculty and staff. One significant element of those benefits provides the University employees financial stability through Life and Disability insurance. Basic coverage is provided by the University with supplemental coverage available during the annual open enrollment period.

Life insurance coverage has been provided through The Standard Company since June 30, 2006. Prior to that time coverage was provided by the Principle Financial Group. Disability insurance coverage has been provided through Hartford. Both of these agreements were established with the assistance of AON Consulting, Inc. and continued support has been provided by Buck Consultants, LLC.

This is part of a continued and systematic review of employee benefits and the underlying contracts which support those benefits. On May 7, 2012 the University issued a Request for Proposals 12-46J with a closing date of June 6, 2012. Thirty one firms were solicited with a public notice placed upon the University's Purchasing Services website. Twelve responses were received. A selection committee reviewed, evaluated and determined that The Standard Insurance Company through Helbling Benefits Consulting provided the best value for the University.

The Standard Insurance Company through Helbling Benefits Consulting will provide both insurance coverages. Helbling replaces Buck Consultants as the University's consultant of record and will provide such services as consulting and account management, claims analysis, reserve monitoring and carrier negotiations.

**BUSINESS AFFAIRS & HUMAN RESOURCES**  
**AUGUST 16, 2012**

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**IMPACT**

UI 705 - Helbling Benefits Consulting

Helbling Benefits Consulting will charge an annual fee of one percent (1%) added to the life and disability premium. The initial term of the contract is three (3) years. There are two (2) optional three (3) year renewal terms that, if exercised, will result in a full term of nine (9) years. Under a full nine (9) year term, the total value of the contract is \$118,000 (assuming the estimated premiums below remain consistent throughout the full term).

UI 706 - Standard Insurance Company

The Standard Insurance Company provides a three (3) year rate guarantee with annual premiums estimated to be:

	Life Insurance Projected Annual Cost		Disability Projected Annual Cost
<i>Employer Portion</i>	\$535,280.15		\$279,363.12
<i>Employee Portion</i>	<u>\$315,977.05</u>		<u>\$190,711.87</u>
<i>TOTAL</i>	\$851,257.20		\$470,074.99

The initial term of the contract is three (3) years. There are two (2) optional three (3) year renewal terms that, if exercised, will result in a full term of nine (9) years. Under a full nine (9) year term, the total value of the contract is \$11,798,749.08 (assuming the estimated premiums above remain consistent throughout the full term).

**ATTACHMENTS**

Attachment 1 – Proposed Contract – UI705 Helbling Benefit Consultants Page 5  
Attachment 2 – Proposed Contract – UI706 The Standard Insurance Co. Page 9  
Attachment 3 – Benefit and Rate Comparison Page 13  
Attachment 4 – Response to RFP Page 15  
Attachment 5 – Request for Proposals 12-46J Page 237

**STAFF COMMENTS AND RECOMMENDATIONS**

The UI recently rebid its employee life and disability insurance. Based on the accepted proposal, the University will be able to achieve costs savings for both the employer and employees. There are no proposed changes to the benefits (employee and spouse supplemental life, accidental death & dismemberment, and disability) themselves.

**BUSINESS AFFAIRS & HUMAN RESOURCES**  
**AUGUST 16, 2012**

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An example of cost savings on the employer side follows:

	<b>2012 Rates</b>	<b>Proposed Rates</b>
<b>Life Insurance</b> (1x base salary)	0.268	0.175
<b>Disability</b>		
- Short-term/per \$10	0.089	0.082
- Long-term/per \$100 of salary	0.20	0.20

Staff recommends approval.

**BOARD ACTION**

I move to approve the agreements between the University of Idaho and The Standard Insurance Company with Helbling Benefit Consultants as consultant of record, in substantial conformance to the forms submitted to the Board in Attachments 1 and 2, inclusive of the University of Idaho Request for Proposals Number 12-46J and the Helbling Benefit Consultant's response dated June 6, 2012, and to authorize the director of contracts and purchasing services to execute all necessary documents.

Moved by \_\_\_\_\_ Seconded by \_\_\_\_\_ Carried Yes \_\_\_\_\_ No \_\_\_\_\_

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UNIVERSITY OF IDAHO  
AGREEMENT NUMBER UI-705

The University of Idaho (hereinafter called the University) hereby awards to Helbling Benefits Consulting (hereinafter called the Contractor) Agreement number UI-705 to furnish life and disability insurance consulting services to the University, as specified in University of Idaho Request for Proposals Number 12-46J, in accordance with the terms and conditions of the Request for Proposals.

This Agreement is supplemented by a) University of Idaho Request for Proposals Number 12-46J; b) Helbling Benefits Consulting's response dated June 6, 2012 which have been agreed to by the parties and by this reference are made a part hereof as though fully set forth herein. To the extent such terms, conditions, or provisions may be in conflict or be inconsistent, their order of authority shall be as follows: 1) University of Idaho Agreement Number UI-705; 2) University of Idaho Request for Proposals Number 12-46J; 3) Helbling Benefits Consulting's response dated June 6, 2012.

### 1.1 NOTICES

Any notice under this Agreement shall be in writing and be delivered in-person, delivery service, and certified mail with return receipt requested, or by facsimile. All notices shall be addressed to the parties at the following addresses or at such other addresses as the parties may from time to time direct in writing:

the University:	University of Idaho Purchasing Services PO Box 442006 1028 West 6 <sup>th</sup> Street Moscow, Idaho 83844-2006 Attn: Christopher Johnson Phone: (208) 885-6116 Fax: (208) 885-6060
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With copy to:	<a href="mailto:counsel@uidaho.edu">counsel@uidaho.edu</a>
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the Contractor:	Helbling Benefits Consulting 250 Northwest Blvd. Suite 201 Coeur d'Alene, ID 83815 Attn.: Chad Murray Phone: (208) 765-9521 Fax: (208) 818-8895
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Any notice shall be deemed to have been given on the earlier of: (a) actual delivery or refusal to accept delivery, (b) the date of mailing by certified mail, (c) via electronic mail, or (d) the day facsimile delivery is verified. Actual notice, however and from whomever received, shall always be effective.

## **1.2 SEVERABILITY**

The terms and conditions of this Agreement are declared severable if any term or condition of this Agreement or the application thereof to any person(s) or circumstance(s) is held invalid. Such invalidity shall not affect other terms, conditions, or applications which can be given effect without the invalid term, condition, or application.

## **1.3 TERM OF AGREEMENT**

The initial term of this agreement shall be three (3) years, commencing upon January 1, 2013. Initial employee enrollment and transition will begin with Fall 2012 open enrollment. The term of this Agreement may, if mutually agreed upon in writing, be extended by two (3) year increments for a total of six (6) additional years, provided written notice of each extension is given to the Contractor at least thirty (30) days prior to the expiration date of such term or extension. In the event funding approval is not obtained by the University, this Agreement shall become null and void effective the date of renewal. During extension periods, all terms and conditions of this Agreement shall remain in effect.

## **1.4 CONTINUATION DURING DISPUTES**

The Contractor agrees that, notwithstanding the existence of any dispute between the parties, insofar as possible under the terms of the Agreement to be entered into, each party will continue to perform the obligations required of it during the continuation of any such dispute, unless enjoined or prohibited by any court.

## **1.5 PRICING AND INVOICES**

The University accepts option 1 under the Standard Insurance RFP response and plan pricing, which states: "1) Add a 1 percent consulting fee to the Life and Disability Premium."

All invoices must contain the name of the University department, contract number UI-705, itemization of materials and services, and correct Agreement pricing.

Invoices for payment must be submitted by the Contractor to:

University of Idaho  
Accounts Payable  
PO Box 444244  
Moscow, ID 83844-4244

## **1.6 ENTIRE AGREEMENT**

This Agreement constitutes the entire Agreement between the parties. No change thereto shall be valid unless communicated in writing in the stipulated manner and signed by the University and the Contractor.

The effective date of this contract is September 1, 2012.

**For the Regents of the  
UNIVERSITY OF IDAHO**

**Helbling Benefits Consulting**

SIGN: \_\_\_\_\_

SIGN: \_\_\_\_\_

Christopher Johnson  
Director  
Contracts and Purchasing Services

Chad Murray  
Vice President  
Helbling Benefits Consulting

DATE: \_\_\_\_\_

DATE: \_\_\_\_\_

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UNIVERSITY OF IDAHO  
AGREEMENT NUMBER UI-706

The University of Idaho (hereinafter called the University) hereby awards to the Standard Insurance Company (hereinafter called the Contractor) Agreement number UI-706 to furnish life and disability insurance to the University, as specified in University of Idaho Request for Proposals Number 12-46J, in accordance with the terms and conditions of the Request for Proposals.

This Agreement is supplemented by a) University of Idaho Request for Proposals Number 12-46J; b) Helbling Benefits Consulting/the Standard Insurance Company's response dated June 1, 2012 which have been agreed to by the parties and by this reference are made a part hereof as though fully set forth herein. To the extent such terms, conditions, or provisions may be in conflict or be inconsistent, their order of authority shall be as follows: 1) University of Idaho Agreement Number UI-706; 2) University of Idaho Request for Proposals Number 12-46J; 3) Helbling Benefits Consulting/the Standard Insurance Company's response dated June 1, 2012.

### 1.1 NOTICES

Any notice under this Agreement shall be in writing and be delivered in-person, delivery service, and certified mail with return receipt requested, or by facsimile. All notices shall be addressed to the parties at the following addresses or at such other addresses as the parties may from time to time direct in writing:

the University:	University of Idaho Purchasing Services PO Box 442006 1028 West 6 <sup>th</sup> Street Moscow, Idaho 83844-2006 Attn: Christopher Johnson Phone: (208) 885-6116 Fax: (208) 885-6060
-----------------	--

With copy to:	<a href="mailto:counsel@uidaho.edu">counsel@uidaho.edu</a>
---------------	--

the Contractor:	Standard Insurance Company 920 SW 6 <sup>th</sup> Avenue Portland, OR 97204 Attn.: G. Sky O'Callahan Phone: (971) 321-6827
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Any notice shall be deemed to have been given on the earlier of: (a) actual delivery or refusal to accept delivery, (b) the date of mailing by certified mail, (c) via electronic mail, or (d) the day facsimile delivery is verified. Actual notice, however and from whomever received, shall always be effective.

## **1.2 SEVERABILITY**

The terms and conditions of this Agreement are declared severable if any term or condition of this Agreement or the application thereof to any person(s) or circumstance(s) is held invalid. Such invalidity shall not affect other terms, conditions, or applications which can be given effect without the invalid term, condition, or application.

## **1.3 TERM OF AGREEMENT**

The initial term of this agreement shall be three (3) years, commencing upon January 1, 2013. Initial employee enrollment and transition will begin with Fall 2012 open enrollment. The term of this agreement may, if mutually agreed upon in writing, be extended by two (3) year increments for a total of six (6) additional years, provided written notice of each extension is given to the Contractor at least thirty (30) days prior to the expiration date of such term or extension. In the event funding approval is not obtained by the University, this Agreement shall become null and void effective the date of renewal. During extension periods, all terms and conditions of this Agreement shall remain in effect.

## **1.4 CONTINUATION DURING DISPUTES**

The Contractor agrees that, notwithstanding the existence of any dispute between the parties, insofar as possible under the terms of the Agreement to be entered into, each party will continue to perform the obligations required of it during the continuation of any such dispute, unless enjoined or prohibited by any court.

## **1.5 PRICING AND INVOICES**

All invoices must contain the name of the University department, contract number UI-706, itemization of materials and services, and correct Agreement pricing.

Invoices for payment must be submitted by the Contractor to:

University of Idaho  
Accounts Payable  
PO Box 444244  
Moscow, ID 83844-4244

## **1.6 MODIFICATIONS TO STANDARD TERMS**

Attached and incorporated are "Changes to Standard Terms and Conditions" which changes to the terms stated in Request for Proposal 12-46J have been reviewed and agreed upon by the parties.

**1.7 ENTIRE AGREEMENT**

This Agreement constitutes the entire Agreement between the parties. No change thereto shall be valid unless communicated in writing in the stipulated manner and signed by the University and the Contractor.

The effective date of this contract is September 1, 2012.

**For the Regents of the  
UNIVERSITY OF IDAHO**

**Standard Insurance Company**

SIGN: \_\_\_\_\_

SIGN: \_\_\_\_\_

Christopher Johnson  
Director  
Contracts and Purchasing Services

NAME: \_\_\_\_\_

TITLE: \_\_\_\_\_

DATE: \_\_\_\_\_

DATE: \_\_\_\_\_

## **Changes to Standard Terms and Conditions**

The following terms found in the Request for Proposal 12-46J are amended as follows:

### **6-1 AGREEMENT TERMS AND CONDITIONS**

The submission of a proposal herein constitutes the agreement of any Proposer that any Agreement to be drawn as the result of an award herein shall be prepared by the University and shall include at a minimum, all terms and conditions set forth in this RFP. The submission of a proposal shall further constitute the agreement of each Proposer that it will not insist on the use of standard contract agreements, documents, or forms, and that it waives any demand for the use of its standard agreements. The Agreement between the parties shall consist of, in order of precedence: the agreement document signed by the Parties subsequent to submission of the proposal, and any attachments thereto and incorporations therein, the terms and conditions in the RFP, the Proposer's group insurance policy or policies, and the Proposer's response to the RFP.

Provided, however, that the Proposer's group insurance policy or policies shall govern: (i) eligibility for insurance and benefits, and (ii) Proposer's rights to amend, re-rate and terminate its group insurance policy or policies.

### **6-5 APPLICABLE LAW AND FORUM**

This Agreement shall be construed in accordance with, and governed by the laws of the State of Idaho. Any legal proceeding related to this Agreement shall be instituted in the courts of the county of Latah, state of Idaho, and Contractor agrees to submit to the jurisdiction of such courts.

Provided, however, this shall not apply to any legal proceedings that arise out of or are related to a benefits decision under Proposer's group insurance policies.



Summary of Annual Costs					
	Life Insurance		Disability		Broker Consulting
	Current Annual Cost		Projected Annual Cost		Annual Cost
<b>Current Rates</b>	<b>Standard</b>		<b>Hartford</b>		
<i>Employer Portion</i>	\$490,931.70		\$287,236.92		no additional cost
<i>Employee Portion</i>	\$468,057.96		\$141,692.16		n/a
<b>Renewal Rates (no changes)</b>	<b>Standard</b>		<b>Hartford</b>		
<i>Employer Portion</i>	\$535,280.15		\$287,236.92		no additional cost
<i>Employee Portion</i>	\$315,977.05		\$141,692.16		Life = 3 years Dis = 1 year
<b>Standard w/Helbling</b>					
<i>Employer Portion</i>	\$535,280.15		\$279,363.12		1% Consulting Fee
<i>Employee Portion</i>	\$315,977.05		\$190,711.87		Approx. \$13,000 Life = 3 years Dis = 3 years

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## Group Benefits Consulting

June 6th, 2012

University of Idaho Purchasing Services  
Attn: Christopher Johnson, Director  
1028 W. 6th Street  
Moscow, Idaho 83844

Re: Request for Proposal for the University of Idaho - RFP No. 11-46J

Dear Mr. Johnson,

On behalf of the Helbling Benefits Consulting (HBC) team we truly appreciate the opportunity to acquire quotes on behalf of the University's employee Life and Disability programs. We have secured proposals from The Hartford and Standard Insurance. During the process we had other carrier's review the RFP and they cordially declined to quote, based on some of the experience reviewed in the current disability program.

All of the proposals we are presenting are net of commissions, or consulting fees. If we are selected to assist the University's benefits departments in managing the Life and Disability programs, our requested compensation for services are as follows:

### The Hartford

- 1) No built in consulting fee as long as we are the Consultant of Record on the University's Life and Disability programs. We would be compensated by our increased Hartford block of business. "OR"
- 2) Annual Consulting Fee of \$30,000 annually (monthly \$2,500) paid directly to Helbling Benefits Consulting.

### Standard Insurance

- 1) Add a 1 percent consulting fee to the Life and Disability premium. "OR"
- 2) Annual Consulting Fee of \$30,000 annually (monthly \$2,500) paid directly to Helbling Benefits Consulting.

This allows HBC to provide the following services: *(more detail on request)*

- Dedicated Consultant and Account Manager *(available for onsite meetings as needed)*
- Quarterly Life & Disability claims analysis
- Claims Fluctuation Reserve monitoring

- Life & Disability plan design consultation
- Carrier Negotiations
- Request for Proposal creation
- Life & Disability Contract Review
- Life & Disability Education (*Employer & Employee*)
- Retiree Assistance (*answer questions directly, coordinate claims filings, beneficiary updates, retiree meetings*)
- Legislative Updates (PPACA, COBRA, HIPAA, FMLA, ADA, GINA, etc)

**HBC is open to other consulting fee arrangements if desired by the University of Idaho.**

Both Standard and The Hartford proposals through Helbling Benefits Consulting will be serviced out of the local Hartford (Seattle) and Standard Insurance (Spokane) offices. We will have dedicated account managers with both of these carriers, with a high touch service model.

If Helbling Benefits Consulting is selected as the University's consultant on the Life and Disability programs, there will be some additional negotiations with the selected carrier, which we will provide. In addition, there are funding arrangements and rate guarantee options, which we will explore on behalf of the University. (*Everything under HBC Services*)

**Binder Contents:**

Tab 1 Helbling Benefits Consulting Executive Summary & Consultant Profile

Tab 2 Helbling Benefits Consulting Life and Disability Experience Analysis & RFP  
*Cost Summary*

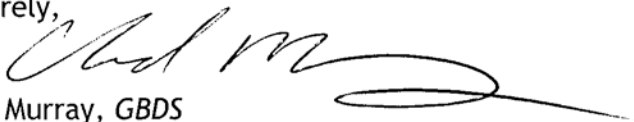
Tab 3 The Hartford RFP response and plan pricing

Tab 4 Standard Insurance RFP responses and plan pricing

Tab 5 Helbling Benefits Consulting E & O Insurance Certificate & References

Please let us know if you have any questions or would like additional information. We look forward to the opportunity to provide consulting services for the University of Idaho's employee Life and Disability programs.

Sincerely,



Chad Murray, GBDS  
Benefits Consultant  
Helbling Benefits Consulting

**Attached:** Acknowledgement of Addendums  
Proposal Response Certification

## UNIVERSITY OF IDAHO REQUEST FOR PROPOSALS NO. 11-46J

## PROPOSAL RESPONSE CERTIFICATION

June 6, 2012

DATE

The undersigned, as Proposer, declares that they have read the Request for Proposals, and that the following proposal is submitted on the basis that the undersigned, the company, and its employees or agents, shall meet, or agree to, all specifications contained therein. It is further acknowledged that addenda numbers \_\_\_\_ to \_\_\_\_ have been received and were examined as part of the RFP document. <sup>12-46J Addendum 1 Q&A -- 12-46J Addendum 1 Rate History Sheet</sup>

Greg Helbling

Name

Signature

President

Title

Helbling Benefits Consulting

Company

250 Northwest Blvd, Suite 201

Street Address

Coeur d'Alene, Idaho, 83815

City, State, Zip

877-765-2620 / 208-765-9521

Telephone Number and Fax Number

208-818-8895

Cell Phone Number

ghelbling@helblingbenefits.com

E-mail Address

Idaho

State of Incorporation

20-0936230

Tax ID Number

Business Classification Type (Please check mark if applicable):

Minority Business Enterprise (MBE) \_\_\_\_\_

Women Owned Business Enterprise (WBE) \_\_\_\_\_

Small Business Enterprise (SBE) X

Veteran Business Enterprise (VBE) \_\_\_\_\_

Disadvantaged Business Enterprise (DBE) \_\_\_\_\_

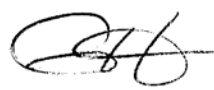
Business Classification Type is used for tracking purposes, not as criteria for award.

**Acknowledgement of Addendums:**

12-46J Addendum 1 certificate – initialed.pdf  
12-46J Addendum 1 Current Disability Booklet-initialed.pdf  
12-46J Addendum 1 Current Disability Booklet.pdf  
12-46J Addendum 1 Q&A - initialed.pdf  
12-46J Addendum 1 Rate History Sheet – initialed.pdf  
12-46J Addendum 2 - initialed.pdf  
12-46J Addendum 2 Life Premium and Volume initialed.pdf

**Greg Helbling, President (Authorized Officer)**

**Initials**

Handwritten initials of Greg Helbling, consisting of a stylized 'G' and 'H'.

# Helbling Benefits Consulting

## Executive Summary

### Our Mission Statement

"We promise to apply our industry knowledge and innovative solutions to protect the financial and human wellbeing of our valued customers!"

### Our Core Values

*Integrity* We consistently adhere to a moral and ethical code.

*Knowledge* We believe that the pursuit of knowledge, understanding, meaning, and personal development should be encouraged across all stages of life. We pride ourselves in being well informed and searching for new and innovative solutions for our clients.

*Friendly* A service level that is genuinely friendly with our clients, vendors and service providers.

**Founded** in 1999 by Greg Helbling, previous to 1999 doing business as Harris Dean Insurance.

**Number of Employees** 14 current staff members.

### Company Officers

Greg Helbling, President

Chad Murray, Vice President/Partner

**Employee Benefits Experience** Greg Helbling and Chad Murray have over forty years of employee benefits experience and knowledge. We have been involved in all facets of the industry - with insurance carriers in sales and marketing, information technology, in a corporate home office capacity, and for many years as independent agents/consultants working on behalf of employers.

**Business Volume** \$59,000,000 of Pacific Northwest business under management.

**Helbling Employee Benefits Consulting** works with over 100 public and privately held entities.

### Our operational philosophy is to always provide

- Accuracy
- First rate customer service
- Friendly and approachable
- Unmatched turnaround and response time



250 Northwest Blvd, Coeur d'Alene Idaho, 83814 \* [www.helblingbenefits.com](http://www.helblingbenefits.com) \* 208-765-2620

# Helbling Benefits Consulting

*"We promise to apply our industry knowledge and incorporate innovative solutions to protect the financial and human well being of our valued clients."*



## Chad Murray, GBDS

Helbling Benefits Consulting specializes in benefits consulting for Medical, Dental, Vision, Life, and Disability. Chad has twelve years experience in the insurance industry working for a large national insurance carrier for seven years and the last five with Helbling Benefits Consulting. At Helbling Benefits Consulting, Chad specializes in bringing his clients the most comprehensive employee benefit package available.

Chad Murray is a 1999 graduate from the University of Idaho with a Bachelor's degree in Management Information Systems. Chad has also received further training in Group Disability Insurance and has received his National Health Underwriters "Group Benefits Disability Specialist" designation.



Chad Murray, GBDS  
Benefits Consultant

cmurray@helblingbenefits.com  
208-765-2620

### **National Health Underwriters "Group Benefits Disability Specialist" designation**

- Proficiency in Group Short- and Long-term disability contracts, plan design strategies, underwriting risk management tools, and pricing levers
- Disability Industry best practice
- Understanding how a client's risk profile is viewed and how to improve it
- High level of moral and ethical conduct within the group disability benefits industry by detailing market conduct responsibilities



# Helbling Benefits Consulting

*"We promise to apply our industry knowledge and incorporate innovative solutions to protect the financial and human well being of our valued clients."*



## Nellie Armstrong

As the Senior Account Manager at Helbling Benefits Consulting, Nellie specializes in bringing the highest level of service and dedication to our groups.

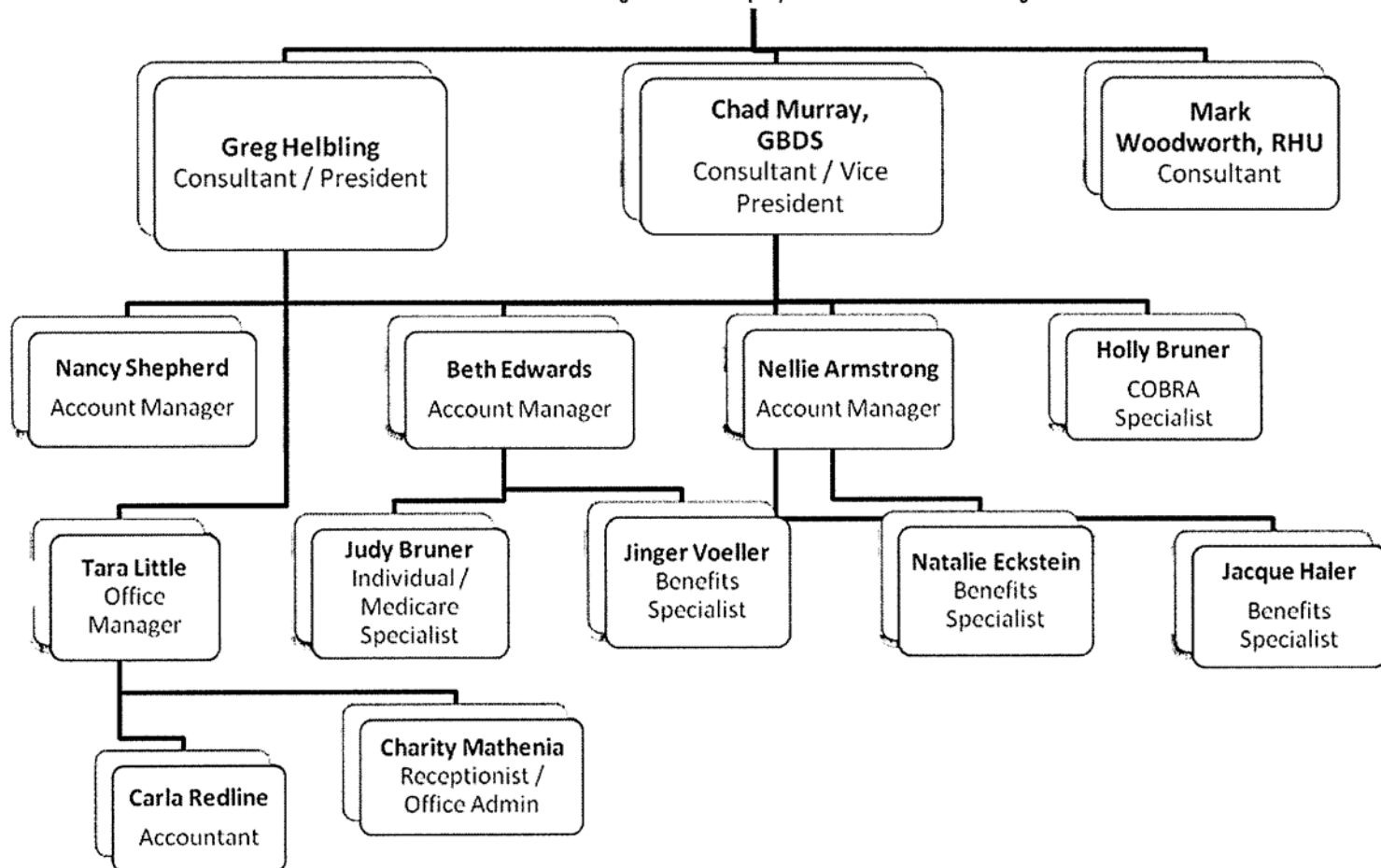
Nellie's key strengths are assisting the employer with applying new lines of coverage to benefit packages, and providing tools for employee communication. In addition to implementing Life and Disability policies to our largest clients, she also assisted our school districts and the University of Idaho with the ERRP program. Nellie is client focused, works closely with our vendors and is a trusted resource for our groups.

Nellie Armstrong  
Account Manager

narmstrong@helblingbenefits.com  
208-765-2620

### Account Management for Life and Disability

- Provides Human Resource support in enrollment, billing and employee communication.
- Assists employees with claim issues, member appeals and special considerations.
- Primary resource for benefit questions.
- Problem solves with the carrier on behalf of the employee to ensure the best possible outcome arises.



### University of Idaho Life/AD&D & Disability Experience through 12/31/2011

As we received the experience data on the University we were able to draw out the specific experience on each line of business. Below, we have outlined by line of coverage some key points for the University's consideration during the evaluation of the Life and Disability RFP.

#### University of Idaho Short-term Disability Experience

- The STD experience data provided is through 12/31/2011. The current experience reveals that for the last three years the net loss ratio is 1.08. If we review just the last two years, the loss ratio reduces to .93. The current experience may be trending better but without the last four months in 2012, it is challenging to make that determination. Based on the current information, you should receive quotes coming in between 0 - 30% above current, as well as a two-three year rate guarantee. Different underwriting and risk assumptions will be different from carrier to carrier.

STD	01/1/2009- 12/31/2009	01/01/2010- 12/31/2010	01/01/2011- 12/31/2011	Totals	Loss Ratio
Premium	101,775.79	124,269.77	121,085.42	347,130.98	1.08
Claims	147,706	86,176	141,262	375,144	
Lives	2,387	2,315	2,303		
Volume	1155123	1542686	1537912		

# Helbling Benefits Consulting

Life and Disability Experience Analysis & RFP Cost Summary

## University of Idaho Long-term Disability Experience

- As with the STD, the experience provided is through 12/31/2011 and reveals it is running at a net loss ratio of approximately 1.76. A rate increase was recently put in place, and will take some time to see how this plays out in the experience. We do not know if the current participation levels have decreased due to the recent rate increase put into place on 1/1/2012. We would like to analyze this further after receiving more information.
- There are currently 25 open claims. Based on the University's demographics, we would expect no more than 16 open claims at one time. Therefore, the University is experiencing high incidence levels and a challenging loss ratio. The disability industry in general has seen higher incident rates, which can be attributed in part to the down economy. This can make it difficult to receive a competitive quote in the marketplace. It is always possible for a carrier to underwrite this line of business for a loss assuming a significant increase will be needed at the first renewal.

LTD	1/1/2008- 12/31/2008	1/1/2009- 12/31/2009	1/1/2010- 12/31/2010	1/1/2011- 12/31/2011	Totals	Loss Ratio
Premium	228,196.61	229,938.81	207,670.28	205,655.02	871,460.72	1.76
Claims	127,426.00	90,617.00	212,660.00	37,063.00	467,766.00	
Reserves	182,464	60,211	420,634	399,458	1,062,767.00	
Open	5	4	12	4	25	
Closed	2	5	3	0	10	
Lives	2,467	2,389	2,317	2,303		
Volume	8,856,103	8,900,313	13,214,639	13,188,225		
<b>Hartford</b>						
Incurral						
Reserves	182,464	60,211	420,634	399,458		
IC	309,890	150,828	633,294	436,521		
Claims	127,426	90,617	212,660	37,063		

## Life, AD&D, and Supplemental Life

- The life plan is running well when packaged with the supplemental life insurance. The basic life could warrant a decrease if the voluntary rates stay the same. The Standard reserves premium waiver claims at 65% of face amount where I would make a case to reserve at 40% when reviewing this opportunity further. Also the retiree experience is not running so well which is not surprising. Making an adjustment to the retiree rate could create a lower rate to the active base life and voluntary life. If no changes in the retiree rate, the active plan will continue to subsidize the retiree rate. In the Standard Insurance proposal you can see they lowered the active base and voluntary life rates but increased retiree rates significantly. All depends on how the University views the Active versus the Retiree.

Basic Life	1/1/2009- 12/31/2009	01/01/2010- 12/31/2010	01/01/2011- 6/31/2011*	07/01/2011- 03/31/2012	Totals	LR
Premium(A&R)	343,563	354,479	210,773	403,688	1,312,503	0.99
Claims (A&R)	440,500	321,089	87,500	179,500	1,028,589	
WP**	84,000	141,000	46,500	0	271,500	
Lives	3,098	2,997	2,938	2,974		
Volume	109,674,500	106,851,000	127,265,250	128,540,419		
Supp Life	1/1/2009- 12/31/2009	01/01/2010- 12/31/2010	01/01/2011- 6/31/2011*	07/01/2011- 03/31/2012	Totals	LR
Premium	247916	262619	148122	254974	913631	0.44
Claims	229,000	0	0	63,000	292,000	
WP**		80000	30000		110000	
Lives	815	811	872	876		
Volume	63,250,000	66,120,000	73,261,250	74,063,250		
*Rate Change						
** Reserving at 50%						

## Standard Insurance Cost Proposal Summary

### Life & AD&D - 3 year rate guarantee

Please Note: illustration is based a snap shot of volume provided in the RFP. Same volume was used with both carrier analysis for the sake of consistency

### Basic Life (Employer Funding)

Actives 34.6% savings (or - \$11,598 per month)

Retirees 211% increase (or +\$15,414 per month)

*\*Please note, in the rate sheet the incorrect Retiree volume was used; the rate sheet shows \$3,375,000 and it should be \$7,375,000 (Standards samples calc wrong, correct in our analysis)*

Overall, increase to the University is \$3,816 (or 9.3% increase) when we combine Active and Retiree. As you can see Standard shifted the cost to the Retiree plan and lowered the better experienced Active Life Plan rates.

**Supplemental Life** - on average a 28% savings for employees (varies somewhat by age band) (or -\$7,868 per month)

**Spouse Life** - again on average a 28% savings for the employees (or - \$1,404 per month)

**Dependant Life** - about a 40% premium savings for employees (or -\$239 per month)

**Stand Alone AD&D (VAD&D)** - No change in rates.

### Short-term Disability - 3 year rate guarantee

Base Plan (Employer Funded) -8% or \$656 savings per month

Buy Up 1 (Employee Funded) no change in rates

Buy Up 2 (Employee Funded) no change in rates

### Long-term Disability - 3 year rate guarantee

Base Plan (Employer Funded) no change in rates

Buy Up 1 (Employee Funded) Approximately 49% increase

Buy Up 2 (Employee Funded) Approximately 49% increase

*Employee cost is +\$4,085 per month*

*The incorrect rate on the Buy-Up 66 2/3% rate sheet sample calculations, .20 was used and it should be .30 (this changes Standards sample calcs, this is correct in our analysis)*

**Overall:** Employer change in cost +\$3,160 or +\$37,920 annually  
Employee change in cost -\$5,426 or -\$65,112 annually

The Standard current Basic Life plan has an Experience Rated Refunding with a claims fluctuation Reserve (ERR/CFR). As part of our negotiated proposal, Standard will offer ERR/CFR on combined / cross refunding for all products.

# Helbling Benefits Consulting

Life and Disability Experience Analysis & RFP Cost Summary

## Standard Insurance Sample Calculations for all levels of coverage

### Active Basic Life - 1x Annual Salary

#### Non-Tobacco User

Volume \$114,157,000 x .175 divided by 1,000 = \$19,977.48 monthly

#### Tobacco User

Volume \$8,531,750 x .23 divided by 1,000 = \$1,962.30 monthly

### Active Basic Life - Flat \$50,000 Benefit

#### Non-Tobacco User

Volume \$104,960,000 x .15 divided by 1,000 = \$15,744 monthly

#### Tobacco User

Volume \$10,100,000 x .20 divided by 1,000 = \$2,020 monthly

### Retiree Basic Life

Volume \$7,375,000 x 3.08 divided by 1,000 = \$22,715 monthly

### Optional Employee Life

#### Age 45-49 - Non-Tobacco User

Employee Benefit Election \$36,000 x .15 divided by 1,000 = \$5.40 monthly

#### Age 45-49 - Tobacco User

Employee Benefit Election \$36,000 x .24 divided by 1,000 = \$8.64 monthly

### Optional Spouse Life

#### Age 45-49 - Non-Tobacco User

Spouse Benefit Election \$30,000 x .15 divided by 1,000 = \$4.50 monthly

#### Age 45-49 - Tobacco User

Spouse Benefit Election \$30,000 x .24 divided by 1,000 = \$7.20 monthly

### Optional Dependent Child Life

\$10,000 Benefit (Per Member Per Month Rate) - \$0.60 monthly

### Optional AD&D

#### Employee Only

\$46,000 Benefit (1x salary) x .03 divided by 1,000 = \$1.38 monthly

#### Employee and Family

\$46,000 Benefit (1x salary) x .045 divided by 1,000 = \$2.07 monthly

### Short-term Disability

#### Basic 50% Plan

Volume \$937,351 x .082 divided by 10 = \$7,686.28 monthly

#### Buy-Up 60% Plan

Volume \$220,670 x .046 divided by 10 = \$1,015.08 monthly

#### Buy-Up 66 2/3% Plan

Volume \$354,817 x .071 divided by 10 = \$2,519.20 monthly

### Long-term Disability

#### Basic 50% Plan

Monthly Salary \$7,796,991 x .20 divided by 100 = \$15,593.98 monthly

#### Buy-Up 60% Plan

Monthly Salary \$2,068,958 x .155 divided by 100 = \$3,206.88 monthly

#### Buy-Up 66 2/3% Plan

Monthly Salary \$3,050,496 x .30 divided by 100 = \$9,151.49 monthly



## The Hartford Insurance Cost Proposal Summary

### Life & AD&D - 3 year rate guarantee

#### Basic Life (Employer Funding)

Actives 32.6% savings (or - \$7,889.44 per month) (\$94,673.28 savings annually)

Retirees 0% increase - no change in rate

*Note: savings is based a snap shot of volume provided in the RFP. Same volume was used throughout analysis for the sake of consistency.*

Overall, savings to the University is \$94,673.28 annually when Active and Retiree premiums are combined, based on current volume.

**Supplemental Life** - no change in rates

**Spouse Life** - no change in rates

**Dependant Life** - no change in rates

**Stand Alone AD&D (VAD&D)** - No change in rates.

#### Short-term Disability - rate guarantee until 1/1/14

Base Plan (Employer Funded) no change in rates

Buy Up 1 (Employee Funded) no change in rates

Buy Up 2 (Employee Funded) no change in rates

#### Long-term Disability - rate guarantee until 1/1/14

Base Plan (Employer Funded) no change in rates

Buy Up 1 (Employee Funded) no change in rates

Buy Up 2 (Employee Funded) no change in rates

**Overall:** Employer change in cost -\$94,673.28 savings annually  
Employee change in cost - no change in cost

The Hartford currently does not have a refund arrangement with the University for the Disability and is not proposing one at this time. We would want to see if it makes sense to implement a combined ERR/CFR arrangement if Hartford were to have the Life and Disability.



# Helbling Benefits Consulting

Life and Disability Experience Analysis & RFP Cost Summary

## The Hartford Sample Calculations for all levels of coverage

### Active Basic Life - 1x Annual Salary

#### Non-Tobacco User

Volume \$114,157,000 x .205 divided by 1,000 = \$23,402.19 monthly

#### Tobacco User

Volume \$8,531,750 x .205 divided by 1,000 = \$1,749.01 monthly

### Active Basic Life - Flat \$50,000 Benefit

#### Non-Tobacco User

Volume \$104,960,000 x .19 divided by 1,000 = \$19,942.40 monthly

#### Tobacco User

Volume \$10,100,000 x .19 divided by 1,000 = \$1,919.00 monthly

### Retiree Basic Life

Volume \$7,375,000 x .99 divided by 1,000 = \$7,301.25 monthly

### Optional Employee Life

#### Age 45-49 - Non-Tobacco User

Employee Benefit Election \$36,000 x .24 divided by 1,000 = \$8.64 monthly

#### Age 45-49 - Tobacco User

Employee Benefit Election \$36,000 x .39 divided by 1,000 = \$14.04 monthly

### Optional Spouse Life

#### Age 45-49 - Non-Tobacco User

Spouse Benefit Election \$30,000 x .24 divided by 1,000 = \$7.20 monthly

#### Age 45-49 - Tobacco User

Spouse Benefit Election \$30,000 x .39 divided by 1,000 = \$11.70 monthly

### Optional Dependent Child Life

\$10,000 Benefit (Per Member Per Month Rate) - \$1.00 monthly

### Optional AD&D

#### Employee Only

\$46,000 Benefit (1x salary) x .03 divided by 1,000 = \$1.38 monthly

#### Employee and Family

\$46,000 Benefit (1x salary) x .045 divided by 1,000 = \$2.07 monthly

### Short-term Disability

#### Basic 50% Plan

Volume \$937,351 x .089 divided by 10 = \$8,342.42 monthly

#### Buy-Up 60% Plan

Volume \$220,670 x .046 divided by 10 = \$1,015.08 monthly

#### Buy-Up 66 2/3% Plan

Volume \$354,817 x .071 divided by 10 = \$2,519.20 monthly

### Long-term Disability

#### Basic 50% Plan

Monthly Salary \$7,796,991 x .20 divided by 100 = \$15,593.98 monthly

#### Buy-Up 60% Plan

Monthly Salary \$2,068,958 x .105 divided by 100 = \$2,172.41 monthly

#### Buy-Up 66 2/3% Plan

Monthly Salary \$3,050,496 x .20 divided by 100 = \$6,100.99 monthly



# ACORD™ CERTIFICATE OF LIABILITY INSURANCE

ATTACHMENT 4

DATE (MM/DD/YYYY)

06/17/2010

PRODUCER Marsh U.S. Consumer  
a service of Seabury & Smith, Inc.  
P.O. Box 9234  
Des Moines, IA 50306

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

INSURED Greg Helbling Employee Benefits  
Consulting, Inc. (See Endorsement)  
Suite 201  
250 Northwest Boulevard  
Coeur d'Alene, ID 83814

## INSURERS AFFORDING COVERAGE

NAIC #

INSURER A: St Paul Guardian Ins Co

24775

INSURER B:

INSURER C:

INSURER D:

INSURER E:

## COVERAGES

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

NSR LTR	ADD'L INSRD	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
		<b>GENERAL LIABILITY</b> <input type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input type="checkbox"/> OCCUR  GENERAL AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PROJECT <input type="checkbox"/> LOC				EACH OCCURRENCE DAMAGE TO RENTED PREMISES (Ea OCCURRENCE) \$ MED EXP (Any One Person) \$ PERSONAL & ADV INJURY \$ GENERAL AGGREGATE \$ PRODUCTS - COMP/OP AGG \$
		<b>AUTOMOBILE LIABILITY</b> <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS				COMBINED SINGLE LIMIT (Ea Accident) \$ BODILY INJURY (Per Person) \$ BODILY INJURY (Per Accident) \$ PROPERTY DAMAGE (Per Accident) \$
		<b>GARAGE LIABILITY</b> <input type="checkbox"/> ANY AUTO				AUTO ONLY - EA ACCIDENT \$ OTHER THAN AUTO ONLY: EA ACC \$ AGG \$
		<b>EXCESS/UMBRELLA LIABILITY</b> <input type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE  <input type="checkbox"/> DEDUCTIBLE <input type="checkbox"/> RETENTION \$				EACH OCCURRENCE \$ AGGREGATE \$
		<b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b> ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? If yes, describe under SPECIAL PROVISIONS below OTHER				WC STAT-UTORY LIMITS OTH-ER E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$
A		<b>PROFESSIONAL LIABILITY INSURANCE</b> RETRO DATE: Full Prior Acts	561JB1681	06/22/2010	06/22/2011	DEDUCTIBLE: PER CLAIM \$10,000 LIMITS: PER CLAIM \$1,000,000 AGGREGATE \$3,000,000

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/EXCLUSIONS ADDED BY ENDORSEMENT/SPECIAL PROVISIONS

CERTIFICATE HOLDER

CANCELLATION

Greg Helbling Employee Benefits  
Consulting, Inc. (See Endorsement)  
Suite 201  
250 Northwest Boulevard  
Coeur d'Alene, ID 83814

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL N/A DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

*John S. O'Sullivan*

# Helbling Benefits Consulting

## References with Similar Services

### Reference #1

Organization Name: Kootenai Health  
Address: 2003 Kootenai Health Way, Coeur d'Alene, ID  
Effective Date of contract: 1/1/2000  
Contract and Title: Life, Vol. Life, Dep. Life, AD&D, LTD, STD  
Contact: Danny Klocko, VP Human Resource  
Phone Number: (208) 666-2050  
Number of enrolled employees: 2,200

### Reference #2

Organization Name: Coeur d'Alene School District #271  
Address: 311 N. 10<sup>th</sup> Street, Coeur d'Alene, ID 83814  
Effective Date of Contract: 1/1/1998  
Contract and Title: Life, Vol. Life, Dep. Life, AD&D  
Contact: Kelly Ostrom, HR Director  
Phone Number: (208) 664-8241  
Number of enrolled Employees: 1,250

### Reference #3

Organization Name: Lewiston School District  
Address: 3317 12<sup>th</sup> Street, Lewiston, ID 83501  
Effective Date of Contract: 1/1/2008  
Contract and Title: Life, Vol. Life, Dep. Life, AD&D, LTD, STD  
Contact: Dr. Joy Rapp, Superintendent  
Phone Number: (208) 748-3000  
Number of enrolled Employees: 650

### Retiree Note:

Helbling Benefits Consulting manages 1000+ retiree life insurance contracts for our eight Idaho school district clients. Dedicated account managers answer retiree questions, coordinate claim filings and beneficiary updates with carriers, and facilitate benefit meetings for retirees.

**Experience Note:** Helbling Benefits Consulting manages approximately 21,000 members on Life, Vol. Life, Dep. Life, AD&D, LTD, and STD



250 Northwest Blvd, Coeur d'Alene Idaho, 83814 \* [www.helblingbenefits.com](http://www.helblingbenefits.com) \* 208-765-2620



Section A – Response  
Sheet

## Response Sheet

## UNIVERSITY OF IDAHO REQUEST FOR PROPOSALS NO. 11-46J

## PROPOSAL RESPONSE CERTIFICATION

6-1-12  
DATE

The undersigned, as Proposer, declares that they have read the Request for Proposals, and that the following proposal is submitted on the basis that the undersigned, the company, and its employees or agents, shall meet, or agree to, all specifications contained therein. It is further acknowledged that addenda numbers 1 to 2 have been received and were examined as part of the RFP document.

G. Sky O'Callahan

Name

Signature

AVP Customer Support

Title

Standard Insurance Company

Company

920 SW 6th Ave

Street Address

Portland, Oregon 97204

City, State, Zip

971.321.6827

Telephone Number and Fax Number

Cell Phone Number

socallah@standard.com

E-mail Address

Oregon

State of Incorporation

93-0242990

Tax ID Number

Business Classification Type (Please check mark if applicable):

Minority Business Enterprise (MBE)	_____
Women Owned Business Enterprise (WBE)	_____
Small Business Enterprise (SBE)	_____
Veteran Business Enterprise (VBE)	_____
Disadvantaged Business Enterprise (DBE)	_____

*Business Classification Type is used for tracking purposes, not as criteria for award.*



Section B – Background  
and History

## Background and History



## Company Background

StanCorp Financial Group is a publicly traded company and became so in 1999. StanCorp Financial Group, Inc., through its subsidiaries marketed as The Standard — Standard Insurance Company, The Standard Life Insurance Company of New York, Standard Retirement Services, StanCorp Mortgage Investors, StanCorp Investment Advisers, StanCorp Equities, StanCorp Real Estate, and StanCorp Trust Company — has helped people achieve financial security so they can confidently pursue their dreams.

As a company, The Standard employs approximately 2,950 people nationwide. We have more than 30 years of experience servicing group contracts of more than 2,000 eligible employees. Some additional facts and statistics that may aid the University of Idaho in understanding the nature of our company are listed below:

- Headquartered in Portland, Oregon
- Chartered in 1906 as Oregon Life Insurance Company
- Mutualized in 1929
- Name changed to Standard Insurance Company in 1946
- Demutualized in 1999
- Standard Insurance Company has been providing insurance services since 1906.
- Licensed in 49 states, the District of Columbia and the United States Territories of Guam and the Virgin Islands
- Offices:
  - 39 - Employee Benefits Sales and Service offices
  - 3 - Individual Disability Insurance Regional offices
- Primary products:
  - Group disability insurance
  - Individual disability insurance
  - Group life insurance
  - Group dental insurance
  - Group vision insurance
  - Group accidental death and dismemberment insurance
  - Retirement plans
  - Annuities
  - Absence Management Services
- Number of group insurance policies in force: approximately 24,800
- Number of group employees covered: approximately 6.2 million
- Number of individual insurance policies in force: approximately 169,300



## History of The Standard

Standard Insurance Company was founded in 1906 as Oregon Life Insurance Company, the first life insurance company in the Pacific Northwest. In 1929, we converted to a mutual company: Oregon Mutual Life Insurance Company. In 1931, the company began promoting its bond portfolio of non-callable, high-interest, long-term bonds that would continue to pay returns of 4 percent to 5 percent through the worst years of the Great Depression, providing rare financial security for investors.

As the company expanded, we gained recognition for our customer-centric approach to conducting business, as well as for product quality and financial strength. In 1946, the company's name changed to Standard Insurance Company to help facilitate growth into other states. In 1951, Standard Insurance Company wrote its first group life insurance policy, which is still in force today — a testament to our commitment to building lasting customer relationships.

For more than 100 years, we have been dedicated to our core purpose: to help people achieve financial security, so they can confidently pursue their dreams. We have earned a national reputation for quality products and superior service by always striving to do what is right for our customers.



# Our Financial Strength



For an insurance and asset management company, there is nothing more important than financial strength. Our customers and shareholders alike must be confident that we will be there regardless of the current economic environment. We take this responsibility very seriously and back it up with our disciplined business practices, sound investment strategies and unique industry expertise.

While various other financial institutions have struggled with their business mix and capital levels, at The Standard, we have maintained our focus on providing excellent customer service while still seeking attractive business opportunities. By approaching our commitments with a long-term perspective, we are able to invest for our customers and build value for our shareholders.

Our balance sheet is the cornerstone of our financial strength and has provided us with a foundation for profitability through a wide range of economic cycles.

## Bond Portfolio

Our bond portfolio is strong. Our strategy is to maintain a diversified portfolio of high-quality, fixed-maturity securities to keep us well-protected should any industries experience difficulties.

- Average portfolio rating of "A" as measured by Standard & Poor's
- No direct exposure to sub-prime or alt-A mortgages

## Commercial Mortgage Loan Portfolio

Our commercial mortgage loans have consistently provided a superior balance of risk and return. We offer small commercial mortgage loans to borrowers who want a fixed rate over time, and we rigorously underwrite every commercial mortgage loan we make. The quality of our commercial mortgage loans is excellent, and our delinquency rates are very low.

- \$4.98 billion portfolio (on more than 6,190 loans)
- Average loan size: \$0.8 million
- Low average loan-to-value ratio (less than 70 percent)

## The Standard Stands The Test Of Time

In the July 2011 issue of *Best's Review*, Standard Insurance Company was recognized for maintaining an "A" rating or higher from A.M. Best Company since 1928. The Standard was honored to be among one of only 11 life/health insurers to consistently achieve an "A" rating or higher for more than 75 years. Given the rapidly evolving markets, changing customer needs and challenging economic times, this is a significant accomplishment. We are proud of this longstanding track record of financial strength.

continued on reverse



Greg Ness  
Chairman, President and CEO

## Standard Insurance Company Financial Strength Ratings

A+ (Strong) by Standard & Poor's  
5th of 20 rankings

A2 (Good) by Moody's  
6th of 21 rankings

A (Excellent) by A.M. Best\*  
3rd of 13 rankings

As of April 2012

\* Rating includes The Standard Life Insurance Company of New York

## StanCorp Financial Group Long Term Senior Debt Ratings

Standard & Poor's: BBB+

Moody's: Baa2

A.M. Best: bbb+

As of April 2012

[www.standard.com](http://www.standard.com)

Our Financial Strength  
13983b (5/12)

## Corporate Profile

StanCorp Financial Group, Inc., through its subsidiaries marketed as The Standard — Standard Insurance Company, The Standard Life Insurance Company of New York, Standard Retirement Services, StanCorp Mortgage Investors, StanCorp Investment Advisers, StanCorp Real Estate and StanCorp Equities — is a leading provider of financial products and services. StanCorp's subsidiaries offer group and individual disability insurance, group life and accidental death and dismemberment insurance, group dental and group vision insurance, absence management services, retirement plans products and services, individual annuities and investment advice. For more information about StanCorp Financial Group, Inc., visit its investor website at [www.stancorpfinaancial.com](http://www.stancorpfinaancial.com).



## Balance Sheet As Of March 31, 2012

<b>Assets</b>	<b>\$ 19.10 billion</b>
<b>Fixed Maturity Securities</b>	<b>56.6% of invested assets</b>
A or Higher	68.0%
BBB/Baa	26.4%
BB/Ba	4.2%
B or Lower	1.4%
<b>Commercial Mortgage Loans</b>	<b>41.1% of invested assets</b>
60-Day Delinquencies	0.33%
<b>Real Estate And Other Invested Assets</b>	<b>2.3% of invested assets</b>
<b>Portfolio Yields</b>	
Fixed Maturity Securities	5.00%
Commercial Mortgage Loans	6.30%

## 2011 Segment Data (Dollars In Millions)

<b>Revenues</b>	
Insurance Services	\$ 2,498.9
Asset Management	390.6
Other	(14.8)
Total	<u>\$ 2,874.7</u>
<b>Income Before Income Taxes</b>	
Insurance Services	\$ 201.2
Asset Management	61.3
Other	(71.0)
Total	<u>\$ 191.5</u>

The Standard is a marketing name for StanCorp Financial Group, Inc. and subsidiaries. Insurance products are offered by Standard Insurance Company of Portland, Oregon in all states except New York, where insurance products are offered by The Standard Life Insurance Company of New York of White Plains, New York. Product features and availability vary by state and company, and are solely the responsibility of each subsidiary. Except where indicated, data represents consolidated results for StanCorp Financial Group, a separate entity which is not responsible for the financial condition or obligations of the insurance subsidiaries.



Section C – References

## References



## References

### ACTIVE:

#### Auburn University

Karla McCormick  
Executive Director  
Tel: 334.844.4183  
KSM0010@auburn.edu  
212 Ingram Hall  
Auburn, AL 36849  
Effective Date: 10/1/2009  
Covered Lives: 5,200  
Coverage: Life, Dep. Life, AD&D, LTD

#### Indiana University

Susan Brewer  
Director, Health Care and Welfare Services  
Tel: 812.855.8381  
subrewer@indiana.edu  
400 E 7th Street, Poplars Bldg, Rm E165  
Bloomington, IN 47405  
Effective Date: 1/1/2004  
Lives: 9,450  
Coverage: Life, Dep. Life, AD&D, LTD

#### University of Toledo

Denise Shordt  
Manager of Benefits  
Tel: 419.530.1442  
denise.shordt@utoledo.edu  
Mail Stop 205  
2801 W Bancroft Street  
Toledo, OH 43606  
Effective Date: 1/1/2008  
Lives: 4,900  
Coverage: Life, Dep. Life, AD&D, LTD

### TERMINATED:

#### Asante Health System

Glenda Burns  
Director of Total Rewards  
Tel: 541.789.4419  
gburns1@asante.org  
2635 Siskiyou Boulevard  
Medford, OR 97504  
Effective Date: 5/1/1996  
Term Date: 4/1/2012  
Covered Lives: 3,400  
Coverage: Life, Dep. Life, AD&D, LTD  
Term Reason: Rates / Moved to Trust

#### The University of North Dakota

Pat Hanson  
Director of Payroll  
Tel: 701.777.4228  
pathanson@mail.und.edu  
264 Centennial Drive, Stop 7127  
Grand Forks, ND 58202  
Effective Date: 1/1/2008  
Term Date: 1/1/2012  
Lives: 3,000  
Coverage: Life, Dep. Life, AD&D  
Term Reason: Renewal / Financial

#### University of Minnesota

Kathy Donohue  
Disability Programs Coordinator  
Tel: 612.626.0094  
donoh007@umn.edu  
319 15th Avenue SE  
Minneapolis, MN 55455  
Effective Date: 12/1/2006  
Term Date: 1/1/2012  
Lives: 4,600 – STD  
12,600 – LTD  
Coverage: STD, LTD  
Term Reason: Lower Rates



Section D – Experience  
and Support

## Experience and Support

## Our Service Commitment To You

### Integrity

Our customers know that we mean what we say. We conduct business according to the highest ethical standards. Integrity is the foundation of everything we do and every interaction we have with customers, coworkers and the public. We keep our promises and we follow through. We make sure that the questions are answered and problems are solved. Customers consistently receive the type of service from us that instills trust and forms the basis of enduring relationships.

### Doing things differently

We anticipate customer needs and are never satisfied with "good enough." Customers can expect to be satisfied, even delighted. From the quickly returned phone call or hand-delivered check to the innovative services for disabled employees and sophisticated online services for retirement plan clients, The Standard version of doing things is decidedly different.



### Expertise

The value of our products lies in the expertise behind them. The Standard is recognized throughout the insurance industry for excellence in critical areas such as: actuarial science, underwriting, claims processing, investment management and many others. In all areas of the company, people with years of training and decades of experience are devoted to exceeding the needs of our customers. We never forget that customers are people. We treat all of our customers with the respect, understanding and empathy they deserve. We do our best to ensure that the Internet, voicemail and other technologies enhance personal communication, not obstruct it. Our claims specialists and service

teams develop customer relationships that go beyond the business basics, and in many cases, last for years.

## Personalized, Experienced Account Management

The Standard understands that dedicated and experienced resources that provide innovative solutions, superior service, and a firm commitment to your satisfaction best serve University of Idaho. What this means to you is less time and money spent on the administration of your employee's insurance benefits.

Our team approach is designed to be simple and accessible for you. Local Account Manager Diana Davenport, located in our Spokane Sales and Service Office will serve as University of Idaho's dedicated local Account Manager.

As your advocate, Diana is responsible for managing your account and exceeding expectations. Whether it is consulting with staff on policy matters or analyzing claims experience, Diana has a proven track record providing timely, knowledgeable responses to her clients.



In addition, she will collaborate with Ryan Woodland, National Accounts Consultant, in servicing University of Idaho. Ryan is the home office advocate directing the overall account management. Together, Ryan and Diana facilitate interactions between your account and all the functional areas within The Standard.

At the Standard, risk decisions and benefit decisions are made independently and appropriately based on contractual obligations. No one individual has the authority to make



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commitments on behalf of, or to supersede decisions made in these respective areas. We guarantee that decisions, and communication thereof, will be made in a timely and efficient manner consistent with your expectations.

## National Account Support

### Trusting The Standard with your large group

Standard Insurance Company understands that as a large employer, you have distinct employee benefits needs. These are best served by dedicated, experienced resources you can trust to provide innovative solutions, superior service and a firm commitment to your satisfaction. To meet the requirements of groups with more than 2,500 employees, we proudly present our National Accounts teams.

Currently, more than 400 large case accounts trust The Standard to provide quality insurance products and services. They represent over 3.5 million insured employees and over \$650 million in annual premium. Our relationships with these clients average 10 years. We attribute these lasting associations to the flexibility, experience and dedication of our National Accounts teams.

### Blending expertise, accessibility and teamwork

Our National Accounts teams support underwriting, policy issue, premium and claims administration for large groups. As crossfunctional groups of employee benefits experts, they work together in an environment that facilitates cooperation and collaboration. Each team member receives specialized training in large case management and recognizes the importance of serving our major clients. By physically locating these specialists together, we improve our communications, response times and understanding of your needs. From initial proposal through case renewal, you will experience an uncompromising level of quality service from our National Accounts team members.

### Crafting “outside the box” solutions

Your group may require a unique plan design, with custom-drafted contract provisions, flexible policy language or alternative funding arrangements. Crafting responsive solutions to meet these needs requires a mastery of the underwriting and contract drafting processes. With an average of more than ten years of

experience, our National Accounts underwriters and contract analysts have the expertise and tools to respond to your requirements.

### Providing a single point of contact

When you have a question about your group coverage, you want one person to contact for the answer. We assign a National Accounts consultant to your group to act as that single point of contact and as your advocate. You can count on this individual to provide timely, knowledgeable responses and to represent your interests throughout your ongoing relationship with The Standard.

### Assuring smooth transitions

We want our new relationship with your group to get off to a good start. As a first step, we dedicate an implementation expert to manage every aspect of this crucial period. This individual works with other National Accounts team members to create custom enrollment materials, deliver contracts and certificates, clarify claims processes and verify your reporting and billing requirements. From beginning to end, every implementation detail gets the attention it requires.

### Treating your employees with respect

You expect your employees to receive fair and respectful treatment, especially during difficult times in their lives. We developed our claims management processes with this underlying philosophy. Our objectives are to make the claims experience as easy as possible and to pay benefits to entitled individuals in a timely, accurate and sensitive manner. Providing financial support, however, is just the start. Your employees and their loved ones may need emotional support and practical guidance following a death or disabling incident. Our benefits resources can make a difference in these times of need.

### Serving policyowners across the nation

No matter where you are located, The Standard has the answer with National Accounts resources on both the East and West Coasts. Serving you from across the nation, these teams operate in partnership with our 42 Sales and Service Offices and a network of 20,000 brokers and consultants.



### Guaranteeing our performance

We are confident of our ability to deliver on our promise to meet or exceed your expectations. In fact, we guarantee it. In the event we do not meet your overall expectations, we will refund a portion of your premium. The Standard offers this unconditional performance guarantee to demonstrate our commitment to your satisfaction.

### Providing Insurance to Public Employers

Standard Insurance Company has over 55 years of experience meeting the needs of public employer groups. Our first group policy, written in 1951 and still in force today, stands as a testament to our commitment to building long-term relationships. Since then, we've been leading the way in public group insurance protection.

### Asking the Right Questions

At The Standard, we recognize that public employers have unique requirements for their employee benefits plans. To develop appropriate solutions, we ask the right questions about all the factors involved in understanding these needs:

- contractual provisions
- administrative requirements
- reporting needs
- integration with other benefits and programs
- union representation
- employee classification
- funding requirements
- budget concerns

We ask these and many more questions to assure that the coverage we provide meets or exceeds the expectations of each policyholder.

### Offering the Right Products

#### Group Life Insurance

Group Life insurance from The Standard offers public employers the opportunity to help protect employees and their families from financial hardship in the event of death. Group Life may be combined with Accidental Death and Dismemberment (AD&D) and/or Dependents Life insurance to help provide additional financial security for employees.

#### Group Long Term Disability Insurance

Long Term Disability (LTD) coverage helps to protect employees from the loss of income and lifestyle associated with an extended disabling illness or injury. Our dedicated teams of claims management professionals assure superior service to policyholders and eligible employees.

#### Group Short Term Disability Insurance

Short Term Disability (STD) insurance is designed to replace a portion of an employee's weekly income in a time of need. Our STD coverage offers an attractive option for public employers who want to supplement a sick leave or statutory disability benefits program.



#### Group Dental Insurance

The Standard offers public employers a variety of dental plan design choices. These include flexible indemnity, incentive, Participating Provider Organization (PPO) and Voluntary plans.

#### Group Vision Insurance

The Standard offers three vision plans to help employers find the right mix of costs versus benefits. All three plans provide benefits for groups with as few as 10 enrolled employees.

#### Group Statutory Disability Benefits Insurance



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In California and New Jersey, public employers that want to consolidate disability coverage with one carrier may choose a Statutory Disability Benefits plan to round out their STD and LTD coverages. Designed to comply with each state's specific laws, Statutory Disability Benefits plans help provide financial support to public employees with non-occupational sicknesses and accidental injuries

### Additional Services and Options

- Alternate funding arrangements including refunding, retrospective premium, minimum premium, termination premium agreement and self-funded benefit plan administrative services agreement
- Contributory and non-contributory plan options to meet the needs of employers and employees
- Coordinated disability claims management for groups with multiple coverages with The Standard
- Dedicated National Accounts team assigned to groups with 2,500 or more employees
- Online plan administration tools for round-the-clock access to resources
- Financial performance guarantee program for groups with 1,000 or more employees

Public employers can count on The Standard to put over a half-century of public group experience to work for them.

\* Provided in partnership with a third-party vendor.

## Sales and Service Team Relationships

Building lasting business relationships requires commitment. The sales and service representatives at Standard Insurance Company provide the personal attention, service and expertise that demonstrates our commitment to a lasting relationship with each customer.

Our sales reps work to find a solution for each employer's employee benefits needs, drawing upon their training and expertise in:

- Plan design
- Funding alternatives
- Claims trend and experience evaluation

- Billing and administration
- Enrollment of employees into the plan
- Underwriting guidelines and plan options
- Developing strategies for transition to The Standard

The job of the sales representative does not end when an employer decides to place business with The Standard. In fact, that is only where it begins. The rep is committed to working with underwriting and claims professionals and others to make sure that we meet our goal to provide quality products at an affordable cost, as well as outstanding customer service.

### Providing Ongoing Support

In addition, a service representative is assigned to each account to provide regular contact and address questions and concerns related to the plan or the services we provide.

### Assisting with Plan Changes

When a plan is renewed, the sales representative works with the employer and underwriter to assist with any necessary changes to the plan, administration or funding arrangements. We also go over claims trends and experience, and will answer any questions regarding the plan or its administration.

The Standard helps manage an employee benefits plan every step of the way with our highly committed sales and service team.





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## AdminEASE<sup>SM</sup>

AdminEASE<sup>SM</sup> online plan administration tools allow you to conveniently manage your Standard Insurance Company employee benefit plans. You can add coverage for new employees, change coverage amounts, file and monitor claims, view payment details and more. Everything you need to manage your plan is online, secure and available anytime.

### Fast, Easy, Secure, Online Save Time, Work Smarter

Managing employee benefit plans can be time-consuming — regardless of your company size. AdminEASE<sup>SM</sup> plan administration tools reduce paperwork, filing and storing stacks of insurance forms. Now you don't have to worry about losing sensitive information or waiting for the mail. You'll have plan administration at your fingertips with secure, easy-to-use online tools.

Convenient and simple, AdminEASE<sup>SM</sup> plan administration tools let you

- Change coverage amounts, calculate premiums
- Add employees, update profiles
- View recent billing and payment details
- Initiate and monitor claims
- Track medical history application status
- Download forms and certificates

### Online Plan Administration Tools Streamline benefit plan management

#### Billing Administration

View 24 months of billing and payment history and access current premium details and information by billing division. Easily update member data online.

#### Reports Online

Benefit managers have ready access to disability claim status, payment and experience data. Quickly confirm when benefits have been issued.

#### Employer Claim Submission

The most reliable and secure way to initiate the disability claims process. Complete and submit employer claim forms electronically and distribute claim forms to employees via e-mail or the intranet.

#### Contract Documents

Fast, easy and secure access to group policies, certificates, amendments and notices. Simply print, e-mail or post group certificates to the intranet.

#### Forms

Web access to the group insurance forms you need — anytime. Fill out and print online forms.

#### Evidence Reporting

Keep up-to-date on the status of employee insurance applications online. It's the most convenient and secure way to monitor applications that require medical underwriting.

#### E-Services Administration

Allows benefit managers to control who can access AdminEASE<sup>SM</sup> services.

#### Group Insurance Plan Administration Guide

A complete how-to guide for administering your plan online.

#### Industry References

A centrally located reference library that delivers timely information about insurance issues that matter to employers and benefit managers.

The Standard delivers technology that saves time and simplifies employee benefits plan management.

Go to <http://adminease.standard.com> and start making your life easier.

## Online Enrollment Tool

### Enrollment and Administration Made Easy

Conducting enrollments and administering benefit plans can be a burden for many employers. Standard Insurance Company offers a solution: a secure, flexible, web-based tool that streamlines the enrollment process.

To make the process as easy as possible, The Standard handles the initial setup and creates a tailored enrollment process for each employee based on individual eligibility. Employers can use the tool's robust billing and reporting options to get the information they need in real time.



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### Convenient, efficient enrollment administration

The streamlined enrollment tool allows employers to:

- Manage annual and new hire enrollments as well as ongoing changes due to life-change events
- Access and download detailed information for billing and payroll deductions
- Run real-time reports to track open enrollment progress, updates to employee coverage and premium, medical evidence decisions and more
- View current and historical eligibility and enrollment information

complete, allowing The Standard to begin the underwriting process immediately.



### Personalized employee enrollment experience

The system guides employees through the online enrollment process, allowing them to:

- Enroll, make life-change updates and manage beneficiaries
- View only the benefit plan options available to them
- Use comparison tools to help make informed decisions
- Complete evidence of insurability electronically
- Call a multilingual call center during enrollment periods

The Web form is secure, confidential, fast and efficient. Employees who submit their Medical History Statement via the web get faster decisions — sometimes by as much as a week.

#### The Advantages Are Clear:

- Employees can submit forms immediately, increasing speed and accuracy
- Employers save time, conserve resources and control costs when the process is automated rather than paper-bound
- Employers can easily access information about the status of medical evidence applications through AdminEASE<sup>SM</sup>

### Electronic Evidence of Insurability

#### Save Time: Provide Medical History Statements Online

Standard Insurance Company's Medical History Statement Web form is designed to make employee submission of medical evidence as easy as possible. The online application presents a series of questions about demographics, employment and medical history, then automatically transfers the answers to a Medical History Statement. Users may view, print or save a copy for their records using the free Adobe® Reader®.

Employees can save themselves from possible delays due to returned paper forms by submitting online with the Medical History Statement Web form. The online application guides the employee through the process by gathering the necessary information and populating the form prior to submission. This ensures that the information submitted is

#### Trust Your Data To The Standard

Our Medical History Statement Web form is protected by encryption technology to ensure confidentiality. Only those who process the application have access to the information, further ensuring privacy and security.

### Evidence Reporting Tool

#### Securely monitor insurance applications online

Keep up-to-date on the status of employee insurance applications with the online Evidence Reporting feature. Available to all of Standard Insurance Company's group disability and life insurance customers through AdminEASE<sup>SM</sup> plan administration tools, the Evidence Reporting feature is a convenient way to monitor applications that require medical underwriting.



Evidence Reporting details coverage amounts for approved employees and allows employers to view the status of applications to determine whether they have been approved, declined or are still pending. Employers get an on-demand summary of applications that were submitted during the last six months and can download these reports to a spreadsheet.

### Features and Benefits

- Enables Benefit Managers to view each applicant's name and application date to verify receipt by The Standard
- Supports tracking the status of applications to determine whether they have been approved, declined or are still pending
- Allows Benefit Managers to monitor approved coverage amounts
- Permits downloading of information about applications to a spreadsheet for future reference

Access the AdminEASE<sup>SM</sup> plan administration tools demonstration at [adminease.standard.com](http://adminease.standard.com).

## Online Employer Claim Submission

### Speeding the claims submission process for employers

The online Employer Claim Submission service, available exclusively through Standard Insurance Company's AdminEASE<sup>SM</sup> plan administration tools, is a reliable and secure way to initiate the disability claims process. Online Employer Claim Submission helps employers reduce potential mailing delays and enables The Standard to initiate employee claims quickly.

It has never been easier to submit employer claims statements to The Standard. Employers answer 10 simple questions, then e-mail their employee a link to the forms required to complete the claim submission process. Claim forms can also be printed and given to an employee to fax directly to The Standard.

### Features and Benefits

- Reduces postal delays, helping to speed the time it takes to initiate a claim
- Increases claim accuracy

- Alerts employers immediately if there are any problems that prevent a successful claim submission
- Reduces the amount of manual entry required by automatically filling in all of a company's address, administrative contact and tax information in the application

Access the AdminEASE<sup>SM</sup> plan administration tools demonstration at [adminease.standard.com](http://adminease.standard.com).

## Group Life Reports Offer Convenience to Employers

Financial reporting is a key component of Standard Insurance Company's comprehensive claims services. Automatically included with Group Life insurance, The Standard provides the following two reports on a regular basis and upon request:

- Experience Reports show the current policy year and all years' experience and are produced annually. These reports illustrate premiums, paid claims and claim reserves. For experience rated groups, retention is also shown.
- Claim Experience Reports list the individual claims that were active and closed during the time period requested. The information includes benefits paid, as well as beginning and ending reserves.



### Web-based Reporting

Reports Online<sup>SM</sup> claims management reports provide a secure, private and convenient method to track and manage sensitive Life claims information. Employers can quickly check claim status, confirm when benefit payments have been issued and get quarterly diagnosis summary reports for Life claims.



Reports Online is a feature of AdminEASE<sup>SM</sup>, the Web-based, time-saving plan administration tool that helps you manage your employee benefit plans from The Standard. For a demonstration, contact your local sales and service office or sign up at <http://adminease.standard.com>.

The Standard can provide sample reports upon request.

## Disability Insurance

### Financial Reports Offer Convenience to Employers

Financial reporting is a key component of Standard Insurance Company's comprehensive claims management services. Automatically included with group Long Term Disability (LTD) and Short Term Disability (STD) insurance from The Standard, our financial reports give employers the convenience to:

- Validate tax information and ensure compliance with federal and state tax requirements
- Prepare year-end wage and tax statements
- Track payment activity by individual claim and location

**Daily FICA Tax Activity Reports** are generated whenever an employee claim has any type of Social Security or Medicare tax activity – either withholding or adjustment. These reports detail the amount of Social Security and Medicare taxes withheld. Information can be reported by employer location or affiliate with different taxpayer identification numbers, if requested.

**Experience Reports** show the current policy year and all years' experience and are produced at time of renewal, year end and upon request. These reports illustrate premiums, paid claims, claim reserves and retention.

**Claim Experience Reports** list the individual claims that were active and closed during the time period requested. The information includes benefits paid, as well as beginning and ending reserves.

**Group Benefits Activity Reports** are generated after the end of each month when

there is some type of claim activity. These reports provide a summary of benefit payments made during the month, Social Security and Medicare taxes withheld and any other deductions withheld during the month. Information can be reported in aggregate, by employer location or by affiliate.

**Disability Income Reports** show yearly totals for benefit payments and tax withholding for each employee who received STD and/or LTD benefits during the previous calendar year. These reports include all information for the year-end W-2 Wage and Tax Statements and identify eligible employees who will receive a W-2 from The Standard.

The Standard is a marketing name for StanCorp Financial Group, Inc. and subsidiaries. Insurance products are offered by Standard Insurance Company of Portland, Ore. in all states except New York, where insurance products are offered by The Standard Life Insurance Company of New York of White Plains, N.Y. Investment services are offered through StanCorp Investment Advisers of Portland, Ore. Product features and availability vary by state and company and are solely the responsibility of each subsidiary.

The products and coverages have exclusions, limitations, reductions of benefits and terms under which they may be continued in force or terminated. Please contact The Standard for additional information, including costs and complete details of coverage.



## Standard Secure Access

### Providing Beneficiaries Ready Access To Their Life Insurance Benefits

Standard Insurance Company understands how difficult it can be to cope with the death of a loved one. To support you in your time of need, The Standard provides a checking account\* for Group Life insurance benefits, the Standard Secure Access (SSA) account.

Approved life insurance benefits are made available in a personalized, interest-bearing checking account. These benefits can be accessed by check,\* up to the full balance of the account. Checks can be written in amounts of \$250 or more.

The SSA account reduces issues with banks that may be reluctant to honor large paper checks, which means no delays waiting for the check to clear before money can be withdrawn.

### Flexibility And Immediate Access

The Standard will issue a check directly to the funeral home if you complete a funeral assignment. The remaining balance will be deposited into your SSA account. A checkbook is mailed within 48 hours of claim approval. You will receive it by U.S. Mail.

### Convenient Checkbook Account

The SSA account\* is a convenient way to secure life insurance benefits. There are no monthly service fees, no per-check charges, no charges for additional checks and no penalties for withdrawal. Funds begin earning interest the day they are deposited, with interest compounded daily and added to the account on the last day of the month. The interest rate for your SSA account will be based on the 13-week Treasury Bill (T-Bill) auction rate but not to exceed 5 percent. For complete interest information, including a description of how this interest rate may differ from the yield The Standard earns on amounts held until withdrawn by you, please refer to the terms and conditions of your Confirmation Certificate and the Standard Secure Access account booklet. You will receive a monthly statement that shows the account balance, check transactions and interest earned, as well as the current effective yield.

### Security You Can Trust

Your funds in the Standard Secure Access account are fully guaranteed by The Standard, a life insurance company dedicated to financial stability since 1906.

### Just A Phone Call Away

Our toll-free access line at 800.343.2551 is available 24 hours a day for your questions regarding account balance, current interest rate and information on checks most recently written. If you have additional questions or need assistance, customer service representatives are available Monday through Friday, 7:30 a.m. to 6 p.m. Central time.

\* These checks are drafts which will be cleared through The Northern Trust Company.



## Accelerated Benefit Provision

### Help when you need it most

No one plans to have a terminal illness. However, Standard Insurance Company has a plan to help in case you do. Our Accelerated Benefit Provision is designed to help ease the financial concerns that often come with this type of diagnosis.

The Accelerated Benefit allows you to receive an early payout of a portion of your Group Life insurance benefit if you are diagnosed with a terminal illness and meet eligibility requirements. As an advance payment, the Accelerated Benefit provides you with a financial resource to use as you desire – whether to cover medical expenses or to maintain your quality of life.<sup>1</sup>

You may receive up to 75 percent of your Group Life insurance benefit, but not more than \$500,000. The minimum benefit available is 10 percent of your Group Life insurance benefit or \$5,000, whichever is greater.





To qualify for the Accelerated Benefit, you must provide satisfactory proof of a qualifying medical condition that is reasonably expected to result in death within 12 months.<sup>2</sup> After the payment of the Accelerated Benefit, the remaining Group Life insurance benefit is subject to an interest charge. However, even if interest charges on the accelerated amount exhaust the remaining benefit over time, The Standard will pay a minimum of 10 percent of the Group Life insurance benefit to the beneficiary.<sup>3</sup> Additional qualifications and restrictions may apply.



The Standard hopes that you're never faced with a terminal illness. But if the situation does arise, you and your family can look to the Accelerated Benefit from The Standard to help provide financial assistance when you need it most.

<sup>1</sup>Receipt of the Accelerated Benefit may be taxable and may affect eligibility for public assistance programs.

<sup>2</sup> In the state of Washington, life expectancy is 24 months for qualifying medical conditions.

<sup>3</sup>If you assign your rights under the Group Life insurance policy, the 10 percent minimum benefit will not apply.

## Family Benefits Package

### Keeping Dreams Alive

The plans for a child's higher education shouldn't end with the death of a parent. Employers can help keep those and other dreams alive with the Family Benefits Package from Standard Insurance Company.

This comprehensive package of family-oriented Accidental Death and Dismemberment (AD&D) benefits includes:

- Higher Education Benefit that pays for qualifying tuition expenses incurred by an employee's eligible children
- Career Adjustment Benefit that pays for qualifying tuition expenses incurred by an employee's spouse for training aimed at obtaining employment or increasing earnings
- Child Care Benefit that pays for qualifying child care costs incurred by an employee's spouse in order to work or obtain training aimed at securing employment or increasing earnings

The Family Benefits Package extends financial assistance to eligible family members in the event of an employee's accidental death for which AD&D insurance benefits are payable. All benefits are subject to maximum amounts and policy limitations.

The Standard provides the Family Benefits Package at no additional premium to employers with Group Life and AD&D insurance. It offers them a caring and practical way to show support for their employees, while providing opportunities to surviving family members as they adjust to a new life.

\* The Family Benefits Package is not available in all states.

## MEDEX<sup>®</sup> Travel Assist For National Accounts

### A Worldwide Assistance Service

As a large employer you have many employees who travel often, for both business and pleasure. Standard Insurance Company now makes available a worldwide travel assistance service through an arrangement with MEDEX<sup>®</sup> Assistance Corporation. This service is included as an automatic



enhancement with your Group Life insurance. MEDEX® Travel Assist allows access to appropriate medical care and other emergency services whenever eligible plan participants travel 100 miles from home or internationally for trips of up to 180 days. A single phone call helps employees and their families with emergencies that may arise while traveling, including a wide range of medical, legal and travel-related issues. MEDEX Travel Assist can also help you with nonemergencies, such as trip planning. Employees can travel more securely, with advice and assistance available 24 hours a day, every day of the year.

### Key Services Of MEDEX Travel Assist

- **Pre-trip Assistance** including passport, visa, weather and currency exchange information, health hazards advice and inoculation requirements
- **Medical Assistance Services** including locating medical care providers and interpreter services
- **Travel Assistance Services** including emergency ticket, credit card and passport replacement assistance, funds transfer assistance and missing baggage assistance
- **Legal Assistance Services** including locating a local attorney, consular officer or bail bond services
- **Emergency Transportation Services** including arranging and paying for emergency evacuation to the nearest adequate medical facility and medically-necessary repatriation of remains<sup>1</sup>
- **Personal Security Services** including evacuation and logistical arrangements in the event of political unrest, social instability, weather conditions, health or environmental hazards

MEDEX Travel Assist provides security 24 hours a day, every day.<sup>2</sup> For more information, contact your insurance advisor or call the Employee Benefits Sales and Service Office for your area today at 800.633.8575.

<sup>1</sup> Emergency Transportation Services arranged and provided by MEDEX are covered up to a Combined Single Limit of \$1,000,000. Related medical services, medical supplies and a medical escort are covered where applicable and necessary.

<sup>2</sup> Please consult the Emergency Medical Assistance Service Employee Certificate for complete terms, conditions and limitations.

MEDEX Travel Assist is provided through an arrangement with MEDEX Assistance Corporation, which is not affiliated with The Standard. MEDEX Travel Assist is not an insurance product.

The Standard is a marketing name for StanCorp Financial Group, Inc. and subsidiaries. Insurance products are offered by Standard Insurance Company of Portland, Oregon in all states except New York. Product features and availability vary by state and are solely the responsibility of Standard Insurance Company.

### Expanded AD&D Package

Recognizing that a life altering accident can happen to anyone at any time, Standard Insurance Company offers an Expanded Accidental Death and Dismemberment (AD&D) Package. This group of benefits allows employers to help shelter employees and their families from a wider variety of accidental losses.

The Expanded AD&D Package pays a specified percentage of the AD&D insurance benefit for the following:

- Loss as a result of an act of physical violence against the employee while actively at work<sup>1</sup>
- Loss of life as a result of an accident while riding as a fare-paying passenger on public transportation
- Presumed loss of life if the eligible employee disappears and the disappearance is caused solely and directly by an accident that could have reasonably resulted in death<sup>2</sup>
- Loss of a hand or foot, even if the severed part is surgically reattached
- Actual and permanent severance from the body of the thumb and index finger on the same hand at or above the metacarpophalangeal joints<sup>3</sup>
- Loss of audible speech or loss of hearing in both ears that is uncorrectable and irrecoverable
- Quadriplegia, hemiplegia or paraplegia that is permanent, complete and irreversible
- Any AD&D loss caused by accidental exposure to adverse weather conditions





Few people are prepared for the sudden financial loss resulting from an accidental death or for the potentially higher cost of living associated with deafness or paralysis. With the Expanded AD&D Package from The Standard, employers can help provide their employees with additional financial protection.

<sup>1</sup> Occupational assault must be evidenced by a police report and punishable by law.

<sup>2</sup> The disappearance must occur independently of all other causes and continue for a period of 365 days after the date of the accident despite reasonable search efforts.

<sup>3</sup> This is not covered if an AD&D benefit is payable for the loss of the entire hand.

## Repatriation Benefit

Standard Insurance Company's Repatriation Benefit provides coverage for unexpected hardship during employee travel, both for business and leisure. If an insured employee's death occurs while traveling more than 200 miles from the employee's residence, The Standard helps cover the expenses incurred when transporting the remains back home.<sup>1</sup>

### A Valuable Benefit at No Additional Premium

The Standard automatically includes the Repatriation Benefit with all Group Life insurance policies, not just when accidental death and dismemberment insurance is purchased. The Standard will reimburse the lesser of \$5,000 or 10 percent of the Group

Life insurance benefit to transport remains when:

- An insured employee dies and a Group Life insurance benefit is payable;
- The death of the employee occurs more than 200 miles from the employee's primary place of residence; and
- Expenses are incurred to transport the remains to a mortuary near the employee's primary place of residence.

Offering the Repatriation Benefit with our Group Life insurance is one more way that The Standard demonstrates our commitment to providing superior coverage to each and every policyholder.

<sup>1</sup> The Repatriation Benefit is not available in Maryland.

Group Life insurance is underwritten by Standard Insurance Company under GP190-LIFE, GP190-LIFE/S399, GP8990LIFE/300



Benefit Management

# Group Life Insurance

Help Protect Loved Ones From Financial Hardship



Standard Insurance Company  
Group Life Insurance



## Your Proposed Group Life Insurance Plan

Standard Insurance Company appreciates the opportunity to provide you with a proposal for Group Life insurance. This booklet and the Employee Benefits Proposal together outline the basic features of your proposed insurance plan. These documents are not a contract.

Establishing Group Life insurance coverage with The Standard requires your completed, signed application for group insurance and our acceptance of it. When we approve your application, we will issue you a group policy containing our customary language. It will not duplicate the language of any existing policies you may have.

Your group policy with The Standard will contain provisions and defined terms not described in this booklet or your Employee Benefits Proposal. If any discrepancies exist between the group policy, the Employee Benefits Proposal and this booklet, your group policy will control.

Your group policy will become effective on the date determined by The Standard, which will be clearly stated on your policy. We will also supply you with certificates of insurance, describing the coverage in detail, for you to deliver to your insured employees.

The proposed premium rate and plan design for your Group Life coverage, Voluntary Life, Additional Life, Accidental Death and Dismemberment (AD&D), Supplemental Life and Dependents Life coverage, if selected, are based on the underwriting data we received from you. We will determine final premium rates and plan provisions based on:

- State law
- Policyholder contributions
- Confirmation of occupations
- The composition of the group of employees you wish to insure
- Our current underwriting rules and practices

The proposal will expire on the date shown in your Employee Benefits Proposal.

Thank you for considering The Standard for your Group Life insurance needs. Should you have questions or need additional information, consult the Employee Benefits Proposal or contact your insurance advisor or the Employee Benefits Sales and Service Office for your area.

## Group Life Insurance

### The Foundation Of An Employee Benefits Program

As the foundation of an employee benefits program, Group Life insurance from The Standard offers you the opportunity to help protect your employees and their families from financial hardship in the event of death. It includes competitive features, a variety of plan designs and family-friendly provisions. Benefit schedules may be based on uniform amounts, multiples of salary or employee classifications.

To help provide additional financial security, you may combine group Life insurance with Accidental Death and Dismemberment (AD&D), Supplemental Life and Dependents Life insurance. The Standard also offers contributory plans, Voluntary Life and Additional Life, as cost-effective alternatives to meet the needs of both employers and employees.

### Group Life Insurance Features

#### Accelerated Benefit

No one plans to have a terminal illness. However, in the event that an employee experiences the unexpected, the Accelerated Benefit from The Standard can help ease financial concerns in the face of adversity.

The Standard typically includes the Accelerated Benefit with all group Life insurance policies that contain a Waiver of Premium provision. With this benefit, eligible employees suffering from terminal illnesses may receive an early payout of a portion of their Life insurance benefit.

Employees may receive up to 75 percent of their Life insurance benefit, but not more than \$500,000, in a one-time lump sum payment. The minimum Accelerated Benefit amount is \$5,000 or 10 percent of an insured employee's Life insurance benefit, whichever is greater.

To qualify for the Accelerated Benefit, an eligible employee must qualify for Waiver of Premium and provide satisfactory proof of a qualifying medical condition that is reasonably expected to result in death within 12 months. If Waiver of Premium terminates at a given age, application for the Accelerated Benefit must be made at least 24 months before reaching that age.



After the payment of the Accelerated Benefit, the remaining Life insurance benefits are subject to interest charges. A minimum of 10 percent of the Life insurance coverage will be paid to the beneficiary even if interest charges on the accelerated amount would have exhausted the remaining benefits over time. If insured employees assign their rights under the Group Life insurance policy, the 10 percent minimum benefit will not apply.

Eligible employees may use the money to help maintain their quality of life during an emotionally and financially difficult situation. An Accelerated Benefit may be taxable, however, and its receipt may affect eligibility for public assistance programs.

#### Waiver Of Premium

With the Waiver of Premium benefit, eligible employees may be able to continue their Life, Additional Life, Supplemental Life and any Dependents Life insurance without payment of premium if they become totally disabled. The amount of insurance continued under the Waiver of Premium provision corresponds to the Life, Additional Life, Supplemental Life and Dependents Life insurance schedules, including reductions.

Typically, to qualify for Waiver of Premium, an insured employee must become totally disabled before age 60 and must remain totally disabled for at least 180 consecutive days. Insurance coverage continues without premium payment as long as the eligible employee remains totally disabled and meets applicable age requirements. Satisfactory proof of total disability must be periodically submitted to The Standard. AD&D coverage, if any, may not be continued under this provision.

## Portability Of Insurance

Portability of Insurance provides a convenient group Life insurance option for eligible employees when their employment terminates. Depending upon state requirements, your plan may include one of the following provisions:<sup>1</sup>

### Provision To Buy Portability Life Insurance (True Portability Option)<sup>2</sup>

Where available, this Portability of Insurance provision is automatically included at no additional cost in all new group Life insurance plans offered by The Standard, including those with AD&D, Dependents Life, or Dependents AD&D insurance. This provision offers eligible employees the option to purchase up to the amount of group Life insurance coverage in force under the group policy, subject to minimum and maximum amounts, without submitting evidence of insurability. If approved, portable insurance amounts will remain in force as long as premiums are paid, regardless of whether the group Life insurance plan with The Standard terminates. The portable coverage will not terminate due to age, but it is subject to age reductions. Any AD&D coverage purchased with portable group Life insurance will terminate at age 65.

To be eligible for this coverage, on the date employment terminates, employees must:<sup>3</sup>

- Be under age 65
- Have been continuously insured under the group policy or the prior plan for at least 12 consecutive months
- Be able to perform with reasonable continuity the material duties of at least one gainful occupation for which they are reasonably fitted by education, training and experience

### Provision To Continue Coverage (24-month Portability Option)<sup>4</sup>

Where available, the Portability of Insurance provision allows eligible employees to apply to continue qualifying amounts of group Life insurance, subject to minimum and maximum amounts, without submitting evidence of insurability. The coverage that may be continued must have been in effect for at least 12 consecutive months on the date employment terminates. If approved, coverage may be continued for a maximum of 24 months, provided premiums are paid.

To be eligible for this coverage, on the date employment terminates, employees must:

- Have been continuously insured under the group policy or the prior plan for at least 12 consecutive months
- Not be terminating employment due to retirement
- Be able to perform with reasonable continuity the material duties of at least one gainful occupation for which they are reasonably fitted by education, training and experience

AD&D insurance and coverage continued under Waiver of Premium may not be continued under this provision.

Coverage under this provision terminates if the former employee becomes insured under another group life insurance plan, your group Life insurance plan with The Standard terminates or the former employee fails to pay premiums, whichever occurs first.

<sup>1</sup> Please consult your Employee Benefits Sales and Service representative regarding the available Portability of Insurance provision. Portability of Insurance is not available in all states.

<sup>2</sup> Not available in Maine, Michigan, Minnesota, South Dakota, Vermont and Washington.

<sup>3</sup> These eligibility requirements do not apply in Massachusetts.

<sup>4</sup> Available only in Maine, Michigan, Minnesota, South Dakota, Vermont and Washington.

## Conversion To Individual Life Insurance

The Right to Convert provision is another life insurance option for eligible employees if their group Life insurance ends or is reduced for any reason other than failure to pay premiums. Under this provision, eligible employees have the right to convert their group Life insurance, including any Additional Life, Supplemental Life and Dependents Life insurance, to certain types of individual life insurance policies without having to provide evidence of insurability. The employee must apply for conversion and pay the required premium within 31 days after group coverage ends or reduces. AD&D coverage may not be converted under this provision.

If group Life insurance discontinues or reduces because of termination or an amendment of the group policy, eligible employees may convert the insurance that has been in effect for at least five years.<sup>5</sup> The maximum amount which may be converted is the lesser of:

- The amount of group Life insurance which ended, minus other group Life insurance for which the employee is eligible, and
- The maximum conversion amount allowed by law as shown in the group policy.

## Repatriation Benefit

The Standard typically includes the Repatriation Benefit with every group Life insurance policy. This provides an additional benefit to help pay for expenses associated with transportation of the body of an eligible deceased employee. If the place of death is more than 200 miles away from the employee's primary place of residence, The Standard will help pay to return the body to a mortuary near the home of the deceased. The Standard will reimburse actual expenses up to \$5,000 or 10 percent of the Life insurance benefit, whichever is less.

## MEDEX® Travel Assist

MEDEX Travel Assist gives employees an additional sense of security when they are traveling more than 100 miles from home or internationally for trips of up to 180 days. Automatically offered with all group Life insurance policies, MEDEX Travel Assist helps employees respond to medical care situations and other emergencies while traveling.<sup>6</sup>

<sup>5</sup> May vary by state.

<sup>6</sup> Provided through an agreement with MEDEX® Assistance Corporation, which is not affiliated with The Standard. MEDEX Travel Assist is not an insurance product.



The full range of 24-hour medical, legal and travel assistance services available to insured employees include:<sup>7</sup>

- Pre-trip assistance including passport, visa, weather and currency exchange information, health hazards advice and inoculation requirements
- Medical assistance services including locating medical care providers and interpreter services
- Travel assistance services including emergency ticket, credit card and passport replacement, funds transfer assistance and missing baggage assistance
- Legal services including locating a local attorney, consular officer or bail bond services
- Emergency transportation services including emergency evacuation to the nearest adequate medical facility and medically-necessary repatriation
- Personal security services including evacuation and logistical arrangements in the event of political unrest, social instability, weather conditions, health or environmental hazards

<sup>7</sup> Consult the employer certificate for complete terms, conditions and limitations.





### Standard Secure Access

Life insurance proceeds for approved claims of \$25,000 or more are deposited into an interest-bearing checking account. The Standard Secure Access account is opened upon approval of a claim and immediately begins earning interest. The beneficiary receives a checkbook, from which drafts may be written for any purpose in amounts of \$250 or more. There are no service or maintenance fees or charges. Detailed monthly statements are provided to the beneficiary. Professional assistance and information is available through a toll-free customer service number.

### Group Life Insurance Exclusion

This plan may include an exclusion for death resulting from suicide or other intentionally self-inflicted injury while sane or insane.<sup>6</sup> If applicable, the amount payable will exclude amounts that have not been continuously in effect for at least two years on the date of death.

### Group Life Insurance Reductions

Typically, insurance benefits are reduced to a percentage of the original amount based upon attainment of specified ages.

<sup>6</sup> For New Jersey residents, "insane" is not applicable.

## Voluntary Life And Additional Life Insurance

Providing a competitive employee benefits package to attract and retain quality employees can be a challenging proposition for any employer. Double-digit increases in health-care costs make this even more difficult, reducing a group's ability to exclusively provide and pay for a comprehensive benefits program.

Voluntary Life and Additional Life insurance from The Standard make it easier for employers to offer the insurance coverage that employees want at competitive group rates. With premiums typically paid by employees through payroll deduction, a Voluntary Life or Additional Life insurance plan provides employees with the opportunity to purchase insurance coverage to fit their personal needs while minimizing the impact on the employer's bottom line.

With Voluntary Life coverage, the employer sponsors the plan and may choose to have it partially or fully paid by employees. It allows employees to select and apply for an amount of group life insurance to help provide financial protection in the event of death.

With Additional Life coverage, the employer provides a basic amount of group Life insurance to employees. The employer also sponsors the Additional Life plan that allows employees to apply and pay for an increased amount of group Life insurance beyond the basic group Life coverage.

## Voluntary Life And Additional Life Product Highlights

The Voluntary Life and Additional Life plans typically contain the same provisions and features as The Standard's group Life insurance. These include Accelerated Benefit, Waiver of Premium, Portability of Insurance, Right to Convert, Repatriation Benefit, Standard Secure Access and MEDEX Travel Assist. In addition, employers may include AD&D, Dependents Life and Dependents AD&D coverage with Voluntary Life or Additional Life plans.

Exclusions, limitations and reductions apply to Voluntary Life and Additional Life coverage.

## Accidental Death And Dismemberment Insurance

Accidents can happen in many ways and at any time. Employers can help to financially protect their employees in the event of an unplanned loss of life, limb or sight with AD&D insurance from The Standard. With AD&D coverage, eligible employees and their beneficiaries may receive an additional amount in the event of accidental death or dismemberment, helping to restore financial balance when the unexpected happens.

AD&D coverage is available for covered dependents. If Dependents AD&D is selected, it would have the same amounts payable schedule (see chart below), Seat Belt and Air Bag Benefits and the same portability options as the member's current AD&D coverage.

### Amounts Payable

The amount of the AD&D insurance benefit payable for a covered loss is a percentage of the AD&D insurance benefit in effect on the date of the accident, as shown below:

Life	100%
One hand or one foot	50%
Sight in one eye	50%
Two or more of the losses listed above	100%

At no time will more than 100 percent of the available AD&D insurance benefit be paid for all losses resulting from one accident.

With respect to a hand or foot, loss means the actual and permanent severance of the hand or foot from the body at or above the wrist or ankle joint. With respect to sight, loss means the entire, uncorrectable and irrecoverable loss of sight. The loss must be certified by a physician in the appropriate specialty as determined by The Standard.

### Seat Belt Benefit

The Standard typically includes a Seat Belt Benefit with its AD&D coverage. If an insured employee dies as a result of an automobile accident while properly wearing and using a seat belt system, The Standard will pay a Seat Belt Benefit equal to the amount of the AD&D insurance benefit payable for the loss of life, up to a maximum of \$10,000.

## Air Bag Benefit

To provide further protection to eligible employees who die as a result of an automobile accident for which a Seat Belt Benefit is payable, The Standard includes an Air Bag Benefit with its AD&D coverage. The Standard will pay an Air Bag Benefit equal to the amount of the AD&D insurance benefit payable for the loss of life, up to a maximum of \$5,000, if the following requirements are met at the time of the accident:

- The automobile is equipped with an air bag system installed as original equipment by the automobile manufacturer and the air bag system has received regularly scheduled maintenance or replacement as recommended by the manufacturer
- The air bag system deploys, as evidenced by a police accident report
- The insured individual was seated in the driver's or passenger's seat intended to be protected by the air bag system

## Line Of Duty Benefit

The Line of Duty Benefit allows public safety officers to receive an additional benefit of \$50,000 or 100 percent of the AD&D insurance benefit otherwise payable for the loss, whichever is less, if they suffer a loss as the result of a line of duty accident for which AD&D insurance benefits are payable.

A line of duty accident means an accident that occurs while an insured public safety officer is taking any action authorized or required by rule, regulation, law or condition of employment as a public safety officer. This includes action taken in the course of controlling or reducing crime, criminal law enforcement or fire suppression, including such action taken in response to an emergency while off-duty. For eligible firefighters and police, line of duty includes social, ceremonial or athletic functions to which the insured employees are assigned and for which they are paid as public safety officers by their employer.

Public safety officers include police officers, firefighters, corrections officers, judicial officers and officially recognized or designated volunteer firefighters.





### Family Benefits Package

The Standard typically offers the Family Benefits Package of additional, family-oriented AD&D insurance benefits for no additional premium with all group Life insurance policies that include AD&D coverage. The Family Benefits Package extends financial assistance to an insured employee's family members in the event of the employee's accidental death for which an AD&D insurance benefit is payable.

### Higher Education Benefit

The plans for a child's higher education should not end with the death of a parent. The Higher Education Benefit helps to keep those dreams alive. To be eligible for this benefit, the surviving child must register and attend an institution of higher education on a full-time basis within 12 months after the insured employee's death. The benefit is paid annually for a maximum of four consecutive years beginning on the date of death. The benefit amount is the qualifying tuition expenses incurred per child within four years after the date of death, but not to exceed \$5,000 per year, or the cumulative total of \$20,000 or 25 percent of the AD&D insurance benefit, whichever is less.

### Career Adjustment Benefit

A surviving spouse may need to make a career adjustment as a result of the insured employee's death. When this requires additional training, the Career Adjustment Benefit helps to make the transition easier. To be eligible for this benefit, within 36 months after the date of the employee's death, the surviving spouse must register and attend a professional or trade training program aimed at obtaining employment or increasing earnings. The benefit amount is the qualifying tuition expenses for training incurred by the surviving spouse within 36 months after the date of death, but not to exceed \$5,000 per year, or the cumulative total of \$10,000 or 25 percent of the AD&D insurance benefit, whichever is less.

### Child Care Benefit

In order to work or obtain training, a surviving spouse may require the assistance of a caregiver to watch over young children. The Child Care Benefit is designed to help cover the cost of providing care for children under age 13. The amount of the benefit is the qualifying expenses incurred by the surviving spouse within 36 months after the date of the insured employee's death, but not to exceed \$5,000 per year, or the cumulative total of \$10,000 or 25 percent of the AD&D insurance benefit, whichever is less.

### Expanded AD&D Package

Few people are prepared for the sudden financial loss brought about by an accidental death. Even fewer are ready for the potentially higher cost of living associated with an accident that might result in paralysis or deafness. The Expanded AD&D package from The Standard provides employers with the option to help protect employees and their families with an extra layer of security against these unexpected events.

The Expanded AD&D Package includes an Occupational Assault Benefit, Public Transportation Benefit and additional definitions of loss.

If Dependents AD&D is selected, then the Expanded AD&D Package would apply to the dependents covered under AD&D as well. The only feature not available with Expanded AD&D for dependents is the Occupational Assault benefit.

### Occupational Assault Benefit

The Occupational Assault Benefit provides an additional benefit if a member suffers a covered loss while actively at work and the loss is the result of an act of physical violence against the member that is punishable by law and evidenced by a police report. The amount of the benefit is \$25,000 or 50 percent of the AD&D insurance benefit that is paid, whichever is less.

### Public Transportation Benefit

The Public Transportation Benefit is paid when an eligible employee dies as a result of an accident while riding as a fare-paying passenger on public transportation. The amount of the benefit is \$200,000 or 100 percent of the AD&D insurance benefit, whichever is less.

### Additional Definitions Of Loss

The Expanded AD&D Package includes coverage for a wider variety of accidental losses and conditions. The amount payable for these covered losses is equal to a

percentage of the AD&D coverage in effect on the date of the accident, as shown below:

Life	100%
If the insured employee disappears and the disappearance is caused solely and directly by an accident that could have reasonably resulted in death <sup>9</sup>	
Life	100%
By accidental exposure to adverse weather conditions	
Hand or foot	50%
Even if the severed part is surgically reattached	
Audible speech	50%
Hearing in both ears	50%
Thumb and index finger of the same hand <sup>10</sup>	25%
Quadriplegia	100%
Hemiplegia	50%
Paraplegia	50%

At no time will more than 100 percent of the available AD&D insurance benefit be paid for all losses resulting from one accident. Loss of speech or hearing means the entire, uncorrectable and irrecoverable loss of audible speech or hearing in both ears. Loss of thumb and index finger means the actual and permanent severance from the body of the thumb and index finger on the same hand at or above the metacarpophalangeal joints. Quadriplegia<sup>11</sup> means the permanent, complete and irreversible total paralysis of both upper and lower limbs. Hemiplegia<sup>11</sup> means the permanent, complete and irreversible total paralysis of the upper and lower limb on the same side of the body. Paraplegia<sup>11</sup> means the permanent, complete and irreversible total paralysis of both lower limbs.

### AD&D Limitations

All losses must occur solely and directly by an accident and independently of all other causes, within 365 days after the accident. Loss of life must be evidenced by a certified copy of the death certificate. Losses other than life must be certified by a physician in the appropriate specialty.

<sup>9</sup> The disappearance must occur independently of all other causes and continue for a period of 365 days after the date of the accident despite reasonable search efforts.

<sup>10</sup> This benefit is not payable if an AD&D insurance benefit is payable for the loss of the entire hand.

<sup>11</sup> No benefit will be paid for loss of hand or foot if an AD&D benefit is payable for Quadriplegia, Hemiplegia, or Paraplegia involving the same hand or foot.

### AD&D Exclusions

AD&D insurance benefits are not payable for death or dismemberment caused or contributed to by:

- War or act of war
- Suicide or any other intentionally self-inflicted injury, while sane or insane<sup>12</sup>
- Committing or attempting to commit an assault or felony, or actively participating in a violent disorder or riot
- The voluntary use or consumption of any poison, chemical compound, alcohol or drug, unless used or consumed according to the directions of a physician
- Sickness or pregnancy existing at the time of the accident
- Heart attack or stroke
- Medical or surgical treatment for any of the above

### Reductions In AD&D Insurance

Typically, insurance benefits are reduced to a percentage of the original amount based upon attainment of specified ages.

### Supplemental Life Insurance

The need for Life insurance often extends beyond basic coverage. Unfortunately, most people do not have enough coverage to adequately protect their families. The Standard's optional Supplemental Life insurance presents employees with the opportunity to purchase additional group Life insurance for themselves and their spouses. This additional coverage helps to enhance the financial security of employees and their families by providing them with flexible coverage amounts at competitive group rates.

### Eligibility

Employees are eligible for Supplemental Life insurance if insured for group Life insurance. Spouses are eligible for Supplemental Life insurance if the employee is insured for Supplemental Life insurance. Employees can apply for Supplemental Life insurance by submitting a signed enrollment form and an evidence of insurability form for themselves and their spouses. Supplemental Life insurance is effective for employees and spouses on the date evidence of insurability is approved. Employees must also meet the active work requirement on that date. Any increase in the amount of Supplemental Life insurance is subject to the same evidence of insurability and active work requirements.

<sup>12</sup> For Missouri and New Jersey residents, "insane" is not applicable.

## Supplemental Life Amounts Available

Supplemental Life insurance is available in amounts of \$30,000 to \$300,000 in increments of \$10,000, subject to limits imposed by many states on the amounts available for spouses. The application materials presented to employees will include the premium rates for each \$10,000 increment of Supplemental Life insurance.

## Supplemental Life Exclusion

Supplemental Life insurance benefits will not be payable for a death which is caused or contributed to by suicide or any intentionally self-inflicted injuries, while sane or insane,<sup>13</sup> unless the coverage has been continuously in effect for more than two years.<sup>14</sup> This exclusion also applies to any increase in Supplemental Life insurance unless the amount of the increase has been continuously in effect for two years.

## Reductions In Supplemental Life Insurance

At age 70, the amount of Supplemental Life insurance begins to reduce on an age-graded basis.

## Dependents Life Insurance

The Standard offers Dependents Life insurance in combination with group Life insurance to provide additional financial security for employees and their families. If Dependents Life insurance is selected, an insured employee may purchase group Life insurance to cover a spouse or child.

Children, adopted children and stepchildren living in an eligible employee's home are considered dependents through age 20 or age 24 if registered as students and attending an accredited educational institution on a full-time basis.

Dependents Life insurance may be continued after age 20 for a child who is disabled. Married children or dependents who are full-time members of the armed forces of any country are not eligible for coverage.

Insured employees are eligible to insure their dependents on the later of the date their group Life insurance becomes effective or the date they first acquire a dependent.

<sup>13</sup> For New Jersey residents, "insane" is not applicable.

<sup>14</sup> For Missouri, Colorado, and North Dakota residents, the Life suicide exclusion is limited to one year and the amount payable will be excluded if it has not been continuously in effect for one year.

## Dependents Life Exclusion

This plan may include an exclusion for death resulting from suicide or other intentionally self-inflicted injury, while sane or insane.<sup>13</sup> The amount payable will exclude amounts that have not been continuously in effect for at least two years on the date of death.<sup>14</sup>

## Reductions In Dependents Life Insurance

Typically, Dependents Life insurance benefits are reduced to a percentage of the original amount based upon attainment of specified ages.

## Commonly Asked Questions

### Who Is Eligible For Coverage?

Coverage is available to all active employees who are regularly working at least 30 hours each week and meet the required eligibility waiting period as shown in the Employee Benefits Proposal. Temporary and seasonal employees and full-time members of the armed forces of any country are not eligible for coverage.

### What Is The Active Work Requirement?

Active work means performing the material duties of the employee's occupation at the employer's usual place of business. Employees who do not meet the active work requirement due to sickness, injury or pregnancy on the day before the scheduled effective date of insurance (including Dependents Life insurance) will not become insured until the day after the employee completes one full day of active work as an eligible member.

### What Is The Effective Date Of This Plan?

The effective date of coverage for an eligible employee or dependent depends upon the eligibility waiting period and whether the individual is required to provide evidence of insurability. Additionally, in every situation eligible employees must meet the active work requirement before the insurance becomes effective.

While Dependents Life insurance is in effect, each new dependent becomes insured immediately.

If an employee or dependent is not required to provide evidence of insurability, the effective date of coverage depends upon whether the coverage is contributory or noncontributory.

For noncontributory plans, coverage is effective on the date the employee or the employee's dependent becomes eligible.

For contributory plans, employees must apply in writing for coverage and agree to pay premiums. Coverage is effective on the later of:

- The date the employee becomes eligible if applying on or before that date
- The date the employee applies for coverage if within 31 days after becoming eligible

If an employee or dependent is required to provide evidence of insurability, the coverage generally becomes effective on the date The Standard approves the evidence of insurability.

### When Does Coverage End?

Group Life insurance automatically ends on the earliest of the following:

- The date the last period ends for which a premium payment was received if the coverage is contributory
- The date the group policy terminates
- The date employment terminates
- The date the employee fails to meet the definition of a member; however, group Life insurance may be continued during certain periods

If AD&D coverage is selected, it automatically ends on the earliest of the following:

- The date the employee's group Life insurance ends
- The date Waiver of Premium begins
- The date the AD&D insurance terminates under the group policy
- The date the last period ends for which a premium payment was received if the coverage is contributory
- For dependents, the date Dependents Life insurance ends

If Supplemental Life coverage is selected, it automatically ends on the earliest of the following:

- The date the employee's group Life insurance ends
- The date the group policy terminates, unless the employee qualifies for Waiver of Premium

- The date the last period ends for which a premium payment was received if the coverage is contributory
- For a spouse, the date of divorce or legal separation, death of the employee, or the date the spouse becomes a full-time member of the armed forces of any country

If Dependents Life coverage is selected, it automatically ends on the earliest of the following:

- Five months after the death of the insured employee (no premiums will be charged for the Dependents Life coverage during these five months)
- The date the employee's group Life insurance ends
- The date the Dependents Life insurance terminates under the group policy
- The date the last period ends for which a premium payment was received if the coverage is contributory
- For a spouse, the date of divorce
- For a dependent, the date the individual ceases to be a dependent
- For a child that is disabled, 90 days after The Standard requests proof of disability, if proof is not given

### What Level Of Employee Participation Is Required?

For noncontributory plans, 100 percent of the eligible employees must participate. If a plan is contributory (partially or fully funded by employees), a minimum number of eligible employees must participate, as specified in the Employee Benefits Proposal.

### When Does The Group Policy Terminate?

You may terminate the group policy by providing The Standard with written notice. It will automatically terminate if a premium payment is not received by the end of the grace period shown in the group policy. The Standard may terminate the group policy on any premium due date if the number of persons insured is less than the minimum participation requirements as defined by the group policy. The Standard may also terminate the group policy if we determine that the policyholder has failed to promptly furnish any necessary requested information or to perform any other obligations relating to the group policy.



Founded in Portland, Oregon in 1906, The Standard is a nationally recognized provider of group Disability, Life, Dental and Vision insurance. We provide insurance to nearly 26,000 groups covering more than 8.7 million employees nationwide.\* Our first group policy, written in 1951 and still in force today, stands as a testament to our commitment to building long-term relationships.

We always strive to do what's right – for our policyholders and their employees. This dedication has resulted in a national reputation for quality products, superior service and industry expertise.

To learn more about group Life insurance from The Standard, contact your insurance advisor or call the Employee Benefits Sales and Service Office for your area at 800.633.8575 or visit us at [www.standard.com](http://www.standard.com).

\* As of June 30, 2010, based on internal data developed by Standard Insurance Company.

Standard Insurance Company  
1100 SW Sixth Avenue  
Portland OR 97204

[www.standard.com](http://www.standard.com)

GP190-LIFE/S399, GP899-LIFE, GP190-LIFE/A997/S399,  
GP399-LIFE/TRUST

Group Life Insurance  
SI 6958 (10/10) PR/ER

## Disability Benefits and Services

### Vocational Intervention

Return-to-work efforts have the best chance of success when started as early as possible after disability begins. At Standard Insurance Company, early vocational intervention services include our nurse case manager's three-point contact process and a vocational case manager's recommendation of redesign of a work place or job duty.

Our initial goal, when appropriate, is to successfully return the employee to work with the policyholder, preferably at the employee's predisability occupation. When this is not possible, the employee may be encouraged and provided assistance to find alternative employment. Our benefits analyst works with a nurse case manager and vocational case manager to ensure that the disability duration is closely monitored and an effective return-to-work plan is initiated when medically advised.



### Vocational Experts

Our on-staff vocational case managers are skilled in the fields of disability, rehabilitation and retraining and hold national certifications, such as Certified Rehabilitation Counselor, Certified Case Manager and Certified Professional Disability Manager. They put their experience to work by identifying and helping the disabled employee remove barriers to

returning to productive employment. This may be as simple as an encouraging phone call or as complex as job modification or retraining.

### Vocational Resources

Our vocational case managers are carefully screened and trained in the methods we use to assist disabled employees in returning to work. They maintain a network of vocational professionals to act as local resources for disabled employees, and coordinate with these resources on each referred case to provide quality service and results.

### Partnerships

Partnerships with employers are essential for successful return-to-work outcomes. We work with the policyholder, the employee and the care providers toward a common goal to return the employee to work. Our resources help facilitate that partnership while aiming to minimize the impact of disability on both the employee and employer.

Our caring team of professionals is dedicated to getting disabled employees back to work in the best environment possible. And the return-to-work assistance we provide employees can translate into reduced claim reserves and savings in benefits costs to employers.

## Return to Work Incentive

### Rewards Employees with Increased Earnings

Most disabled employees have one thing in common: a strong desire to return to work. Standard Insurance Company encourages disabled employees to return to the work force when medically able with the Return To Work Incentive. Included in all group Long Term Disability (LTD) policies, this provision creates a clear financial incentive for disabled employees to work part-time in their own occupation or full-time or part-time in another occupation. With this incentive, The Standard deducts only a portion of the earnings from work performed while disabled. During the first 12 (or optional 24) months of work, The Standard deducts only that portion of work earnings which, when added to the employee's maximum LTD benefit, exceeds 100 percent of indexed predisability earnings. After that period, only 50 percent of work earnings are deducted.





### How the Return to Work Incentive Works

During the first 12 months that disabled employees return to work, monthly LTD benefits are reduced by the amount of work earnings which, when added to their maximum LTD benefit amounts, exceed 100 percent of their indexed predisability earnings. After that, 50 percent of work earnings are deducted. For example, an employee becomes disabled but is able to return to work on a part-time basis, earning \$2,500.

Prior to becoming disabled, the employee earned \$5,000 a month. The employee's maximum LTD benefit is \$3,000. The calculation below shows the LTD benefit amount this employee would receive with the Return to Work Incentive.

	No Return to Work	Returns to Work first 12 months	Continues to Work after 12 months
Maximum LTD benefit	\$ 3,000	\$ 3,000	\$ 3,000
Less work earnings as deductible income	- 0	- 500*	- 1,250**
Net LTD benefit	\$ 3,000	\$ 2,500	\$ 1,750
Plus actual work earnings	+ 0	+ 2,500	+ 2,500
Total income from all sources	\$ 3,000	\$ 5,000	\$ 4,250
Percent of income replaced	60%	100%	85%

\* \$ 3,000 maximum LTD benefit  
+ 2,500 work earnings  
\$ 5,500 total  
- 5,000 indexed predisability earnings  
\$ 500 deductible income

\*\* \$ 2,500 work earnings  
x 50%  
\$1,250 deductible income

### Reasonable Accommodation Benefit

#### Among Most Generous In Industry

Central to Standard Insurance Company's claims philosophy is a commitment to help disabled employees return to a productive life whenever they are able. To assist employers in facilitating a return to work for their disabled employees, The Standard automatically includes a Reasonable Accommodation Expense Benefit in all our Long Term Disability policies.

Subject to The Standard's prior approval, this benefit allows us to pay for up to \$25,000 of an employer's expenses toward work site modifications that result in a disabled employee's return to work. The Standard's Reasonable Accommodation Expense Benefit is among the most generous in the industry, providing greater flexibility to serve disabled employees.

The Reasonable Accommodation Expense Benefit is one more way that The Standard helps employers regain their valued employees, while helping the employees return to a productive and rewarding lifestyle.





Workplace Possibilities  
Program Description

## Workplace Possibilities Program<sup>SM</sup> Executive Summary

The Standard is changing the way employers prevent and manage disability with our Workplace Possibilities program<sup>SM</sup>— a unique, proactive approach to helping keep employees at work and productive.

By identifying opportunities to keep employees who may be at risk of disability on the job and get those who go out on disability back to work quicker, the Workplace Possibilities program helps employers realize rapid results.

Our Workplace Possibilities program features an on-site Workplace Possibilities Consultant who works with the employer as a member of their HR team.

Workplace Possibilities is proactive and holistic, focusing our efforts on key objectives:

- Removing barriers to employee productivity.
- Reducing claim durations.
- Lowering client costs.
- Further opening lines of communication between all parties.
- Identifying return-to-work candidates at the earliest possible point.
- Strengthening the relationship between The Standard and the employer, which will lead to a better sharing of resources and more cost-effective return to work.
- Identifying preventative measures (stay at work) employers and employees can take to reduce the number of disability claims employees file.

The Standard's on-site Consultant takes a comprehensive view of your workplace, assisting the employer in identifying potential ergonomic risks and making modifications that remove barriers to productivity.

The Workplace Possibilities Consultant works collaboratively with your HR team, but The Standard's Reasonable Accommodation Expense Provision of the disability contract hires, trains, manages and pays for this person. The Workplace Possibilities Consultant is also remotely linked to our program's tracking system. The employer will be responsible for providing the Consultant with a work station and internet access. Obviously, a close working relationship between the Workplace Possibilities

Consultant and all parties is essential, and to ensure this, our onsite Consultant will request input from the employer on a regular basis. Referrals to the onsite Consultant can come from both The Standard and from the employer. In addition to the on-site Workplace Possibilities Consultant at the employer's location, The Standard's Workplace Possibilities Team includes a dedicated Vocational Case Manager, Nurse Case Manager and Benefits Analyst.

Proper training is essential to the success of the program, and The Standard will assist an employer in developing and presenting webinars about the Workplace Possibilities program to train HR staff, workers' compensation, supervisory, managerial and other relevant staff members. The Standard will tailor the training to the level of detail each staff member needs. The Standard and the employer will plan and coordinate the initial and on-going communication and training strategies. Our proven, formalized process enables rapid implementation of the Workplace Possibilities Program, in as little as 30 days.

Workplace Possibilities provides the employer with customized reports, so they can track key metrics, monitor results and share progress with senior leadership.

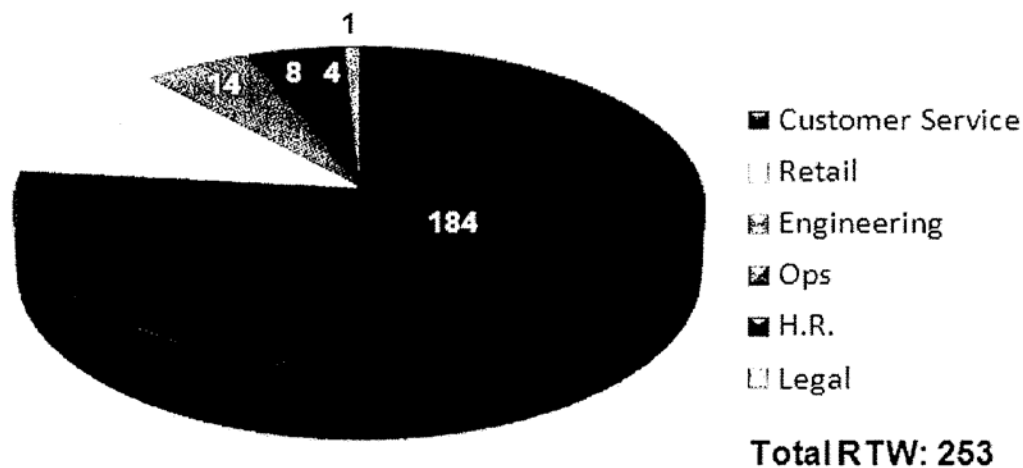
Our program takes advantage of The Standard's vast experience in disability management, ergonomic and vocational assessments, and absence management to help employers re-imagine the workplace.

The Standard's partnership with the employer and the investment in time and resources will enable employees to achieve maximal self-sufficiency, reduce dependence on disability benefits, lower costs associated with absence and improve employee morale.





**XYZ Company  
Return To Work by Division  
January 1, 2010 through December 31, 2010**

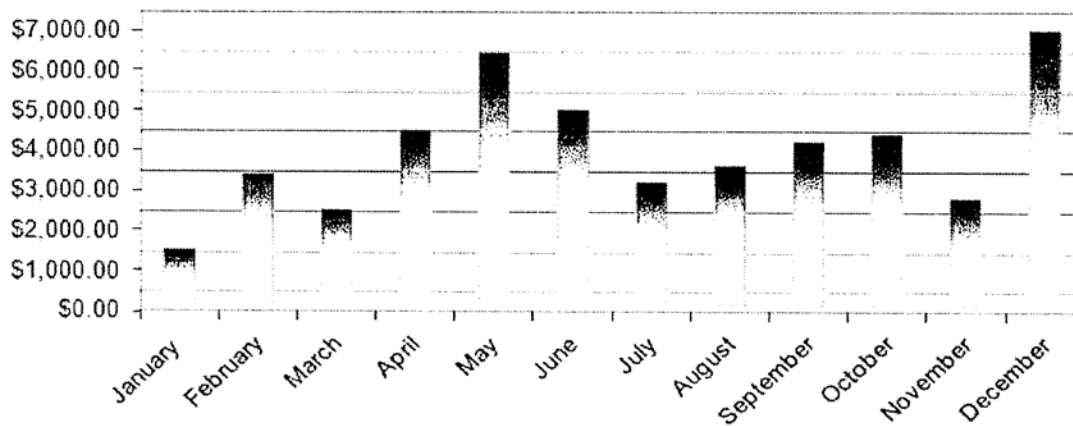


Workplace Possibilities  
Sample Reports

*All XYZ employees who have benefited from The Standard's onsite Workplace Possibilities*

**XYZ Company  
Reasonable Accommodation Expenses by Month  
January 1, 2010 through December 31, 2010**

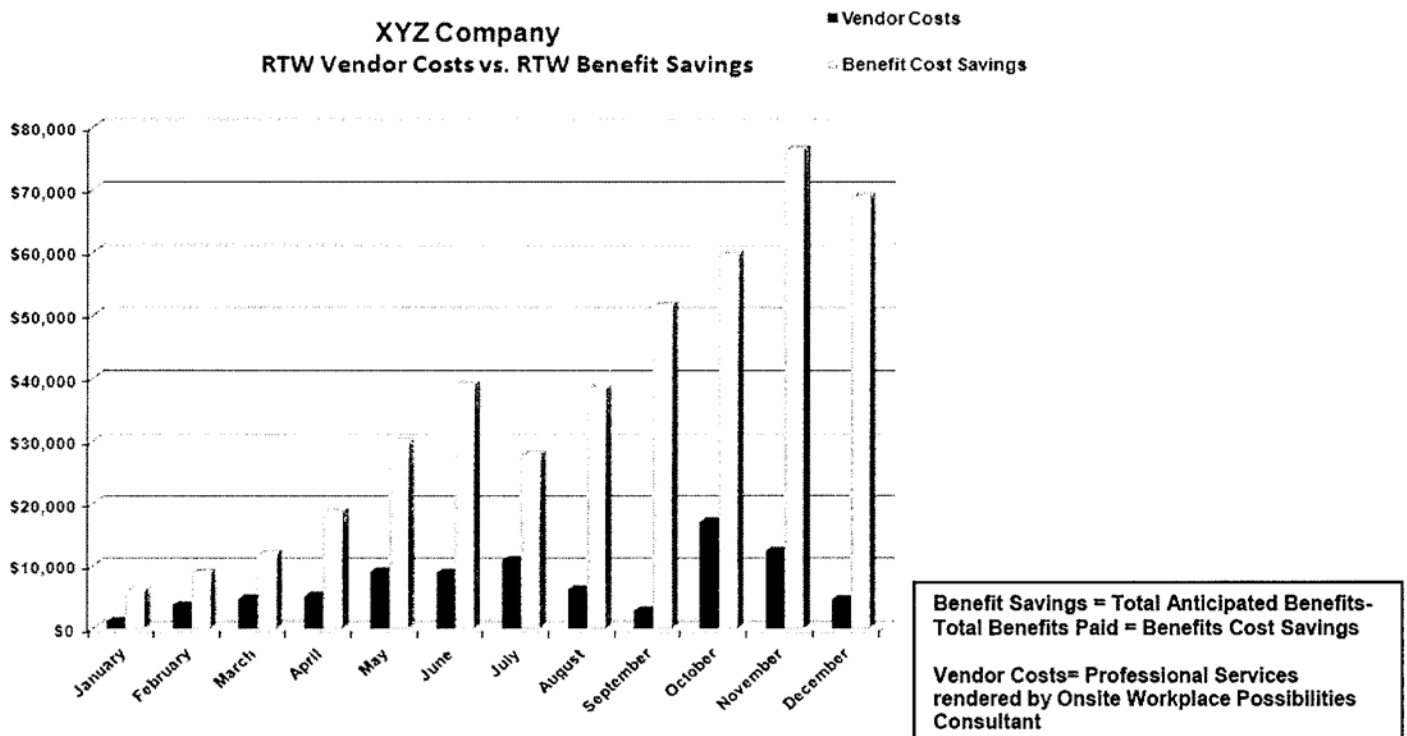
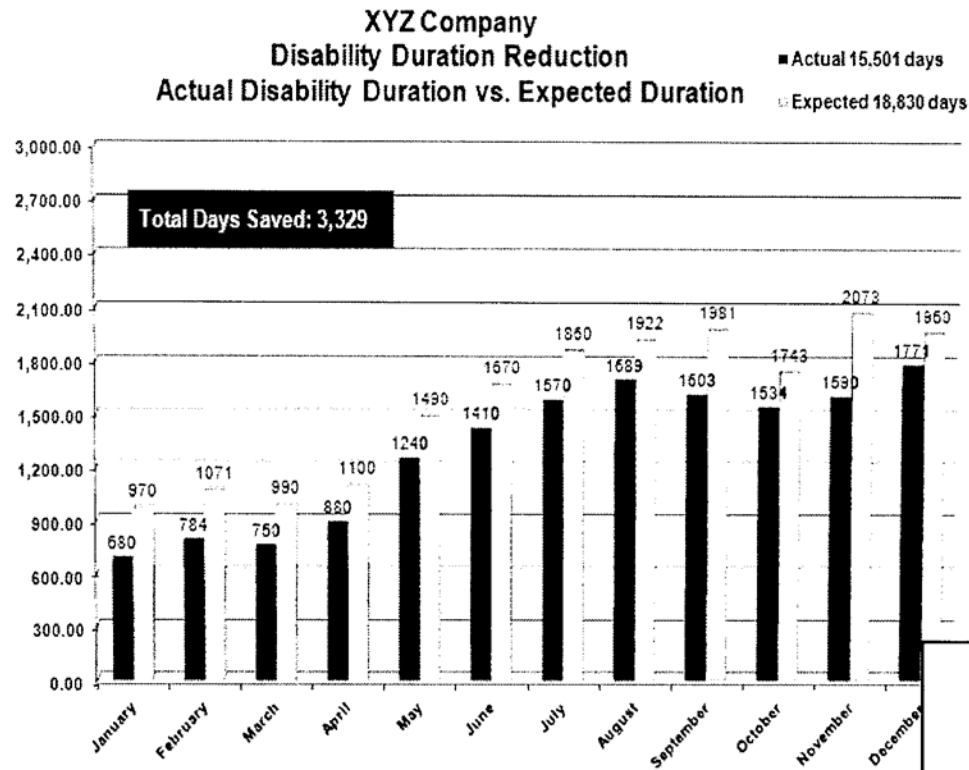
**YTD RAE: \$38,406**



*Cost of durable medical goods and ergonomic equipment only*



Workplace Possibilities  
Sample Reports



# Group Short Term Disability Insurance

Protect Your Employees From Loss Of Income



Standard Insurance Company  
Short Term Disability Insurance





## About This Booklet

Standard Insurance Company appreciates the opportunity to provide you with a proposal for group Short Term Disability (STD) insurance. This booklet and the STD proposal together outline the basic features of your proposed STD plan. They are not a contract.

Establishing group STD insurance coverage with The Standard requires your completed, signed application for group insurance and our acceptance of it. When we approve your application, we will issue you a group policy containing our customary language. It will not duplicate the language of any existing policies you may have.

Your group policy with The Standard will contain provisions and defined terms not described in this proposal. If any discrepancies exist between the group policy, the STD proposal and this booklet, the controlling provision will be in the group policy.

Your group policy will become effective on the date determined by The Standard, which will be clearly stated on your policy. We will also supply you with certificates of insurance, describing the coverage in detail, for you to deliver to your insured employees.

The proposed premium rate and plan design for your STD coverage are based on the underwriting data we received from you. We will determine final premium rates and plan provisions based on:

- State law
- Policyholder contributions
- Confirmation of occupations
- The composition of the group of employees you wish to insure
- Our current underwriting rules and practices

The proposal will expire on the date shown in your Employee Benefits Proposal.

Thank you for considering The Standard for your group STD insurance needs. Should you have questions or need any additional information, consult the Employee Benefits Proposal or contact your insurance advisor or the Employee Benefits Sales and Service Office for your area.

## Group Short Term Disability Insurance

### An Attractive Option For Your Employee Benefits Package

Short Term Disability insurance from The Standard is designed to provide coverage for disabilities resulting from physical disease, injury, pregnancy or mental disorder. STD insurance offers an attractive option for employers who want to supplement a sick leave or statutory disability benefits program. The proposed STD benefit amount and maximum benefit period are shown in the Employee Benefits Proposal.

## STD Product Information

### Definition Of Disability

Insured employees are disabled if, as a result of physical disease, injury, pregnancy or mental disorder, they are unable to perform with reasonable continuity the material duties of their own occupation and suffer a loss of at least 20 percent in their predisability earnings when working in their own occupation.

Own occupation means any employment, business, trade, profession, calling or vocation that involves material duties of the same general character as the occupation the employee is regularly performing for the employer when disability begins. However, own occupation is not limited to how the employee specifically performs the job for the employer. The Standard may also view how the occupation is generally performed in the national economy. If the own occupation involves the rendering of professional services and requires a professional or occupational license in order to work, the own occupation is as broad as the scope of the license.

Material duties are the essential tasks, functions and operations, skills, abilities, knowledge, training and experience generally required by employers from those engaged in a particular occupation that cannot be reasonably modified or omitted. However, in no event would a requirement to work an average of more than 40 hours per week be considered a material duty.

Employees who are disabled from their own occupation may work in another occupation and continue to qualify for STD benefits as long as their work earnings do not exceed 80 percent of their predisability earnings. Work earnings will be used to reduce the STD benefit as noted under "Return To Work Incentive."



### Coverage For New Disabilities

If a period of disability is extended by a new cause while STD benefits are payable, benefits will continue while the employee remains disabled but not beyond the end of the original maximum benefit period. In addition, all policy limitations and exclusions apply to the new cause of disability.

### Plan Options

The Standard offers STD plans that provide both non-occupational and 24-hour coverage. Non-occupational plans provide coverage for disabilities occurring off the job as a complement to workers' compensation coverage. 24-hour STD plans provide coverage for disabilities occurring on or off the job.

### Minimum STD Benefit

For STD plans that are integrated with deductible income, the minimum STD benefit is \$15 per week. The Employee Benefits Proposal will indicate whether this applies to this proposed plan.

## Returning To Work

Our claims management services have been carefully designed to promote and optimize the return of disabled employees to a productive life whenever possible. When a disability occurs, our focus is on returning the employee to work through our claims management process, the services we provide and the policy provisions we offer.

### Reasonable Accommodation Expense Benefit

To help employers return employees with disabilities to active work whenever they are able, The Standard automatically includes a Reasonable Accommodation Expense Benefit in its STD policies. This benefit reimburses an employer for worksite modifications made on behalf of a disabled employee, which result in a return to work for the employee. The reimbursable modifications are subject to The Standard's prior approval.

### Return To Work Incentive

Providing incentives for disabled employees to return to work at their full potential is critical for any successful rehabilitation plan. Automatically included in our STD policies, The Standard's Return To Work Incentive provision is designed to provide valuable financial support to disabled employees in their efforts to return to work.

The Standard's STD benefit is reduced by only the amount of work earnings which, when added to the employee's maximum STD benefit, exceeds 100 percent of predisability earnings. This typically means that employees who return to work receive more total income than those who do not. Work earnings will include amounts they could earn if they worked to their full potential in work that is reasonably available.

### Return To Work Responsibility

In addition to providing positive financial incentives to return to work, The Standard's STD policy also establishes a clear expectation for those who are able to return to work. Disabled employees who are capable of part-time work have a responsibility to take advantage of available work opportunities. They are expected to accept part-time work in their own occupation if they are able to earn at least 20 percent of predisability earnings. No STD benefits are payable for any period when partially disabled employees fail to meet this responsibility.

## Temporary Recovery

The Standard automatically includes a Temporary Recovery provision in every STD policy to further encourage employees to return to work. Our policy language is among the most flexible in the industry and enables us to work with employees to make permanent recoveries out of temporary ones.

Employees who recover from a disability for a period of time during the maximum benefit period but later suffer a relapse and become disabled again from the same cause or causes, may not have to serve a new benefit waiting period, depending on the length of the period of temporary recovery.

A new benefit waiting period is not required if the periods of recovery during the maximum benefit period do not exceed a total of 30 days. In addition:

- Benefits are not payable for the recovery period
- The recovery period does not count toward the maximum benefit period
- Predisability earnings used to determine the STD benefit will not change
- No STD benefits will be payable after benefits become payable to the employee under any other disability plan for which the employee became insured during the period of temporary recovery

Other than the above, the group policy is applied as if the disability were uninterrupted.

## Additional Cost Options

### Daily Hospital Benefit

With the Daily Hospital Benefit, the eligible insured employee will receive STD benefits for each day of hospitalization during the benefit waiting period.

### First-day Hospital Benefit

If an insured employee is hospital-confined for at least four hours during the benefit waiting period, the benefit waiting period will be satisfied. Hospital-confined means the employee is admitted to a hospital as an in-patient, for which they are charged room and board. They must be under the ongoing care of a physician while they are hospital-confined. STD benefits will become payable on the date of hospitalization. The maximum benefit period will also begin on that date.

## Exclusions From Coverage

The Standard's STD policies do not cover disabilities caused or contributed to by:

- War or any act of war
- An intentionally self-inflicted injury, while sane or insane\*
- A disability arising out of or in the course of any employment for wage or profit (applies to non-occupational plans only)
- Committing or attempting to commit an assault or felony, or active participation in a violent disorder or riot
- Loss of a professional or occupational license or certification

## Limitations

No STD benefit will be paid for any period when the disabled employee is:

- Not under the ongoing care of a physician in an appropriate specialty as determined by The Standard
- Eligible to receive benefits under any workers' compensation or similar law (applies to non-occupational plans only)
- Able to work part-time, but elects not to work (i.e., fails to meet the return to work responsibility)
- Confined for any reason in a penal or correctional institution
- Not participating in good faith in a plan of medical treatment or vocational training or education approved by The Standard, unless the disability prevents the employee from participating
- Receiving sick leave pay or other salary continuation from the employer, unless a sick leave integration option is chosen

## Preexisting Condition Limitation

The preexisting condition limitation typically applies to STD benefit amounts of \$2,500 per week or more. If on the date disability begins, the employee has not been continuously insured under the group policy for the 12 (or optional 24) month limitation period and has not been actively at work for at least one full day after that limitation period, the weekly STD benefit will be limited to not more than \$2,500 if the disability results from a preexisting condition.

\*For Colorado and Missouri residents, "insane" is not applicable.



A preexisting condition is a mental or physical condition whether or not diagnosed or misdiagnosed:

- Which was discovered or suspected as a result of any routine or other medical examination at any time during the preexisting condition period, or
- For which the employee has (or a reasonably prudent person would have) consulted a physician or other licensed medical professional, received medical treatment, services or advice, undergone diagnostic procedures, including self administered procedures, or taken prescribed drugs or medications at any time during the preexisting condition period.

The preexisting condition period is the three- or six-month period just before the employee's insurance becomes effective, as specified in the Employee Benefits Proposal.

We grant credit for time served toward satisfying the preexisting condition limitation period for eligible employees insured under the employer's prior group STD plan that was replaced by The Standard's coverage.



## Deductible Income

The Standard's STD insurance helps replace a portion of income lost as a result of a disability. Often employees are eligible for other sources of income. To prevent overinsurance, the STD benefit is reduced by deductible income, which generally includes the following, although it may vary depending on whether the employer is a public or private entity:

- Work earnings, as described under "Return To Work Incentive"
- Benefits the employee receives or is eligible to receive from workers' compensation, state disability income benefit law, the Jones Act, Maritime Doctrine of Maintenance, Wages or Cure, Longshoremen's and Harbor Worker's Act or any similar acts or laws (applies to 24-hour coverage only)
- Benefits from other insurance (including group insurance for non-professionals) the employee receives or is eligible to receive
- Any disability or retirement benefits received from the employer's retirement plan
- Any earnings or compensation included in predisability earnings which the employee receives or is eligible to receive while STD benefits are payable
- Any amount the employee receives or is eligible to receive under any unemployment compensation law or similar act or law
- Any amount the employee receives or is eligible to receive from or on behalf of a third party
- Any amount received by compromise, settlement or other method, as a result of a claim for any of the above, whether disputed or undisputed

## Exceptions To Deductible Income

The following are generally not considered deductible income, although exceptions vary depending on whether the employer is a private or public entity:

- Group credit, mortgage disability insurance benefits and accelerated death benefits paid under a life insurance policy
- Any cost-of-living increase in deductible income, other than work earnings
- Reimbursement for hospital, medical or surgical expenses
- Reasonable attorney fees incurred in connection with a claim for deductible income

## Commonly Asked Questions

### Who Is Eligible For Coverage?

Coverage is available to all of an employer's active employees who:

- Are citizens or residents of the United States or Canada
- Are actively at work at least 30 hours each week
- Meet the required eligibility waiting period as shown in the Employee Benefits Proposal

Temporary and seasonal employees, full-time members of the armed forces of any country, leased employees and independent contractors are not eligible for coverage. There is no age limit on eligibility for coverage under The Standard's group insurance plans.

### What Is The Active Work Requirement?

Employees who are performing the material duties of their own occupation at the employer's usual place of business meet the active work requirement. Employees who are not capable of active work due to physical disease, injury, pregnancy or mental disorder on the day before insurance would otherwise become effective will not become insured until the day after completing one full day of active work as an eligible employee.

### When Is The Effective Date Of This Plan?

Subject to the active work requirement, coverage is effective as follows:

- Coverage requiring evidence of insurability is not effective until evidence is approved
- For noncontributory plans, coverage is effective on the date the employee becomes eligible
- For contributory plans, employees must apply in writing for coverage. Coverage is effective on the later of:
  - The date the employee becomes eligible
  - The date the employee applies if the employee submits an application within 31 days of becoming eligible
  - The date required evidence of insurability is approved, if the employee applies more than 31 days after becoming eligible



### **What Level Of Employee Participation Is Required?**

For noncontributory plans, 100 percent of the eligible employees must participate. If a plan is contributory (partially or fully funded by employees), a minimum number of eligible employees must participate, as specified in the Employee Benefits Proposal.

### **When Does The Coverage End?**

STD insurance ends automatically on the earliest of the following:

- The date the last period ends for which a premium contribution is received
- The date the group policy terminates
- The date employment terminates
- The date the employee fails to meet the definition of a member (however, STD insurance may be continued under certain conditions, such as during an approved leave of absence scheduled to last no more than 30 days)

### **When Does The Group Policy Terminate?**

An employer may terminate a group policy by providing The Standard with written notice. The group policy will automatically terminate if premium is not received by the end of the grace period shown in the Employee Benefits Proposal. The Standard may terminate the group policy if the number of employees insured is less than the minimum participation requirement shown in the Employee Benefits Proposal. The Standard may also terminate the group policy if we determine that the policyholder has failed to promptly furnish any necessary information requested by us or has failed to perform any other obligations relating to the group policy.



# Group Long Term Disability Insurance

Safeguarding Your Employees' Income



Standard Insurance Company  
Group Long Term Disability Insurance





## Your Proposed Group Insurance Plan

Standard Insurance Company appreciates the opportunity to provide you with a proposal for Group Long Term Disability insurance. This booklet and the Employee Benefits Proposal together outline the basic features of your proposed Long Term Disability (LTD) insurance plan. These two documents are not a contract.

Establishing LTD insurance coverage with The Standard requires your completed, signed application for group insurance and our acceptance of it. When we approve your application, we will issue you a group policy containing our customary language. It will not duplicate the language of any existing policies you may have.

Your group policy with The Standard will contain provisions and defined terms not described in this booklet or your Employee Benefits Proposal. If discrepancies exist between the group policy, the Employee Benefits Proposal and this booklet, the controlling provision will be in the group policy.

Your group policy will become effective on the date determined by The Standard, which will be clearly stated in your policy. We will also supply you with certificates of insurance that describe the coverage in detail for you to distribute to your insured employees.

The proposed premium rate and plan design for your LTD coverage are based on the underwriting data we received from you. We will determine final premium rates and plan provisions based on:

- State law
- Policyholder contributions
- Confirmation of occupations
- The composition of the group of employees you wish to insure
- Our current underwriting rules and practices

The proposal will expire on the date shown in your Employee Benefits Proposal.

Should you have questions or need additional information not found in the Employee Benefits Proposal, contact your insurance advisor or the Employee Benefits Sales and Service Office for your area.

Thank you for considering The Standard for your group LTD insurance needs. Group Life and Disability are our primary business. Having this level of focused expertise means we can understand your needs better and our employee benefits can work harder to support your goals. With tools designed to help reduce your workload and a proactive approach to help you maintain a more productive and efficient workplace, we're here to partner with you for the long term.

## Group Long Term Disability Insurance

### A Vital Part Of Your Employee Benefits Package

People routinely purchase home, car and life insurance to safeguard themselves against the threat of loss. Yet they may underestimate the importance of insuring a portion of their incomes against the threat of disability. The risk of disability is greater than most people think. Recent statistics are quite clear:

- Almost three in 10 of today's 20-year-olds will become disabled before reaching age 67  
*Social Security Administration Fact Sheet 2009*
- Every 90 seconds in the United States someone files for bankruptcy in the wake of a serious illness  
*The American Journal of Medicine*, Vol. 122, No. 8, August 2009

Long Term Disability insurance from The Standard provides a monthly benefit to eligible employees who are partially or totally disabled due to a covered physical disease, injury, pregnancy or mental disorder. It is key to smart financial planning for both employers and employees.

### Financial Support For Employees, A Recruitment Tool For Employers

Savings, sick leave, workers' compensation, Social Security, friends and family are some of the sources used to replace income lost due to disability. However, the financial impact of long term disability often exceeds these limited resources. The Standard's LTD insurance supplements other sources of income and provides incentives and assistance to facilitate a return to work whenever possible.

LTD coverage also helps employers by enhancing their benefits package — one of the best ways to attract and retain high-caliber employees. The Standard offers LTD insurance with flexible plan designs and claims-management expertise, all at competitive group rates.



## Plan Design Information

### LTD Benefit Schedule

LTD benefits replace a specified percentage of a disabled employee's predisability earnings, as defined in the group policy. The percentage is typically 60 or 66⅔ percent, subject to minimum and maximum LTD benefit amounts, but options from 30 to 70 percent are available. As part of an income-replacement program, LTD benefits will be reduced by certain other amounts, called deductible income, which the employee receives or is eligible to receive. See the specifics in the Employee Benefits Proposal.

### Definition Of Predisability Earnings

Most definitions of predisability earnings include:

- Salary
- Shift differential pay
- Commissions averaged over the preceding 12-month period or over the period of employment if less than 12 months
- Employee contributions made through a salary reduction agreement with the employer to an Internal Revenue Code (IRC) Section 401(k), 403(b), 408(k), 408(p) or 457 deferred compensation arrangement, or an executive nonqualified deferred compensation arrangement
- Amounts contributed to fringe benefits according to salary reduction agreements under IRC Section 125 plans



The definition of predisability earnings generally excludes bonuses, overtime or any other extra compensation. However, these items may be included if approved by The Standard. If so, they will be shown in the Employee Benefits Proposal. An employer's contributions on the employee's behalf to any deferred compensation arrangement or pension plan are also generally excluded from the definition of predisability earnings.

Coverage up to the guarantee issue amount, is available without submitting evidence of insurability. Evidence may be required for higher amounts.

### **When LTD Benefits Begin**

When LTD benefits are payable, they begin at the end of the benefit waiting period. Benefits are not payable during the benefit waiting period. The most common benefit waiting period is 90 days of continuous disability; however, the period can range from 30 days to one year depending on the specific needs of the employer. See the Employee Benefits Proposal for the benefit waiting period.

### **When LTD Benefits End**

LTD benefits end automatically on the date the employee:

- No longer meets the definition of disability
- Fails to provide proof of continuing disability
- Becomes eligible for benefits under another group LTD plan
- Reaches the end of the maximum benefit period for which LTD benefits are payable for any one period of continuous disability

LTD benefits are not payable after the end of the maximum benefit period, even if the employee remains disabled.

For employees who become disabled after age 60, The Standard offers three age-graded reduction schedules that provide benefits beyond age 65. See the Employee Benefits Proposal for the maximum benefit period.

## Definitions Of Disability

The definition of disability determines whether benefits are payable and the extent to which disabilities are covered. The Standard's definitions of disability are both progressive and balanced to offer flexibility in designing a benefit program to meet each organization's specific needs.

Some employees will meet the applicable definition and also retain the ability to perform some of their work duties full time or part time, or be able to work in another occupation. To encourage those who are able to perform some work, The Standard's disability definitions provide coverage for individuals who work while disabled, as defined by the group policy.

## Material Duties And Indexed Predisability Earnings

The Standard offers comprehensive and distinctive own occupation and any occupation definitions of disability. Most of The Standard's plans include both definitions, but they can be separated. The time periods when they apply may vary to meet the needs of the organization and its employees. For example, our traditional plan includes a 24-month own occupation period followed by an any occupation period.

Both own occupation and any occupation definitions refer to material duties and indexed predisability earnings.

Material duties are the essential tasks, functions, operations, skills, abilities, knowledge, training and experience generally required by employers from those engaged in a particular occupation. These essential tasks, functions, etc. cannot be reasonably modified or omitted, and a particular occupation cannot be performed without them. (A requirement to work an average of more than 40 hours per week would never be considered a material duty.)

Indexed predisability earnings, based on person's earnings prior to disability and the U.S. Consumer Price Index, are calculated strictly for purposes of determining disability. Indexed predisability earnings may apply in determining whether an employee meets the own occupation or any occupation definition of disability.

## Own Occupation Disability

During the benefit waiting period and for the first 24 months thereafter, employees are disabled if, as a result of physical disease, injury, pregnancy or mental disorder:

- They are unable to perform with reasonable continuity the material duties of their own occupation, and
- They have suffered a loss of at least 20 percent in their indexed predisability earnings when working in their own occupation.

Own occupation means any employment, business, trade, profession, calling or vocation that involves material duties of the same general character as the occupation the employee is regularly performing for the employer when the disability begins.

Own occupation is not limited to how the employee specifically performs the job for the employer. Rather, The Standard may view how the occupation is generally performed in the national economy. If the own occupation involves the rendering of professional services and requires a license in order to work, the definition of own occupation is as broad as the scope of the license.

While this definition applies, employees who are disabled from their own occupation may work in another occupation and continue to qualify for LTD benefits as long as their work earnings do not exceed 80 percent of their indexed predisability earnings. Work earnings will be used to reduce the LTD benefits as noted under "Return to Work Incentive" (page 7).

## Any Occupation Disability

During the any occupation period, which spans the remainder of the maximum benefit period, employees are disabled if, as a result of physical disease, injury, pregnancy or mental disorder, they are unable to perform with reasonable continuity the material duties of any occupation.

Any occupation means any occupation or employment that the employee is able to perform, based on his or her education, training or experience and availability at one or more locations in the national economy. In this occupation, the employee could be expected to earn at least 60 percent of indexed predisability earnings within 12 months following his or her return to work, regardless of whether the employee is working in his or her own or any other occupation.





While this definition applies, disabled employees may work and continue to qualify for LTD benefits as long as they meet the any occupation definition of disability. Work earnings will reduce the LTD benefits as noted under "Return to Work Incentive."

### **Optional Definitions Of Disability**

The Standard understands the specialized training and financial investment required for many professional careers. We offer definitions of disability specifically designed for professionals, key management employees and certain employer groups.

#### **Own Occupation To Age 65**

The Standard offers a definition of disability that requires employees to be disabled from only their own occupations. This definition applies during the benefit waiting period and throughout the maximum benefit period. Employees who are disabled from their own occupations may work in another occupation. However, they will no longer meet the definition of disability when their work earnings exceed 80 percent of indexed predisability earnings.

#### **Own Specialty Protection**

For physicians and attorneys, The Standard offers own specialty protection for two years, five years and to the end of maximum benefit period. For physicians, own occupation is defined as the medical specialty the physician is board-certified to practice. For attorneys, own occupation is defined as the one or two legal subject-matter areas or types of legal practice in which the attorney has specialized, provided the attorney has been in practice for at least five years.<sup>1</sup>

Certain percentages of the gross professional fee income must have been earned in those specialty areas or types of practice during the 24 months just before disability began. These percentages are at least 60 percent for physicians and 85 percent for attorneys. During the remainder of the maximum benefit period, the employee must meet the usual own occupation definition of disability. Those who meet this definition of disability may work in another occupation; however, they will no longer be considered disabled when their work earnings exceed 100 percent of indexed predisability earnings.

<sup>1</sup> Trial attorney or trial practice will not be considered one of the specialty legal subject matter areas or types of legal practice, unless the attorney personally appears and actively participates in legal proceedings on behalf of clients at least four hours per day on an average of at least 50 days per year during the 24 months just before disability begins. Time the attorney spends preparing to actively participate in legal proceedings can be included when calculating up to one-half of the hours-per-day and days-per-year requirement. Legal proceedings include civil or criminal trials, administrative rule-making or contested-case hearings, workers' compensation hearings, arbitration and mediation hearings, and the taking or defending of depositions.

## Returning To Work

Our claims management services have been carefully designed to promote and optimize the return of disabled employees to a productive life whenever possible. Our benefits analysts work with vocational experts, nurses and physicians to provide early screening, assess disability durations and identify return-to-work opportunities. As a result, disabled employees may return to work earlier than anticipated, which may reduce the likelihood of permanent disability. This helps employers regain valuable employees and contain disability claims costs.

## Return To Work Incentive

Providing incentives for disabled employees to return to work at their full potential is critical for any successful rehabilitation plan. The Standard's Return to Work Incentive is one of the most comprehensive in the employee benefits industry. It is automatically included in every LTD policy to provide valuable financial support to employees in their efforts to return to work.

During the 12 (or optional 24) months immediately after a disabled employee first returns to work, the LTD benefit is reduced by only the amount of work earnings that, when added to the employee's maximum LTD benefit, exceeds 100 percent of indexed predisability earnings. Following the incentive period, The Standard will deduct one-half of work earnings while the employee remains disabled. This typically means that employees who return to work will receive more total income than those who do not. Work earnings will include amounts they could earn if they worked to their full potential in work that is reasonably available.

## Reasonable Accommodation Expense Benefit

To help employers return employees with disabilities to active work whenever possible, The Standard automatically includes a Reasonable Accommodation Expense Benefit in its LTD policies. This reimburses an employer up to \$25,000 for worksite modifications made on behalf of a disabled employee, when the modifications enable the employee to return to work. Reimbursable modifications are subject to The Standard's prior approval.

## Rehabilitation Plan Provision

To help employees with disabilities prepare to return to active work, The Standard automatically includes a Rehabilitation Plan Provision in all LTD policies. Subject

to The Standard's prior approval, employees may apply to participate in a rehabilitation plan at any time, and in doing so, may receive an additional 10 percent of their predisability earnings, not to exceed the maximum LTD benefit as a result of this increase. With The Standard's approval, a rehabilitation plan may include payment for some or all of the expenses incurred by employees that are intended to support a return to work, including:

- Training and education
- Family (child and elder) care
- Job search and other job-related expenses

## Temporary Recovery

The Standard automatically includes a Temporary Recovery provision in every LTD policy to further encourage employees to return to work. Our flexible policy language enables us to work with employees to make permanent recoveries out of temporary ones. Employees who recover from a disability for a period of time, but later suffer a relapse and become disabled again from the same cause or causes, may not have to serve a new benefit waiting period if the period of recovery does not exceed 90 days during the benefit waiting period or 180 days during the maximum benefit period.

In either case, the recovery period does not count toward the benefit waiting period, the maximum benefit period or the own occupation period. LTD benefits are not paid during the recovery period. Predisability earnings used to determine the LTD benefits will not change. No LTD benefits will be payable after benefits become payable under any other disability plan under which the employee became insured during the recovery period. Otherwise, the group policy is applied as if the disability was uninterrupted.

## Return To Work Responsibility

In addition to providing financial incentives to return to work, The Standard's LTD policy also establishes clear expectations for those who are able to return to work. Disabled employees who are capable of part-time work have a responsibility to take advantage of available work opportunities. If they are able to earn at least 20 percent of indexed predisability earnings, they must accept part-time work in their own occupation during the own occupation period and in any occupation during the any occupation period. . LTD benefits will not be payable for any period when partially disabled employees fail to meet this return-to-work responsibility.



## Cost Containment Features

This section outlines the limitations, exclusions and deductible income sources customarily included in all of The Standard's group LTD policies. Some applicable time periods and provisions may be modified at the employer's request.

### Disabilities Subject To Limited Pay Periods

Payment of LTD benefits is limited to 24 (or optional 12) months during the employee's lifetime for disabilities caused or contributed to by any one or more of the following, or medical or surgical treatment of one or more of the following:

- Any mental, emotional or psychological disorder regardless of cause (including but not limited to depression, anxiety, stress, bipolar affective disorder, organic brain syndrome, schizophrenia). At the end of the limited pay period, benefits may continue if the employee is continuously confined in a hospital solely because of a mental disorder.
- The use of alcohol or any drug (including hallucinogens), alcoholism or drug addiction
- Other limited conditions including: chronic fatigue conditions (such as chronic fatigue syndrome and post viral syndrome), any allergy or sensitivity to chemicals or the environment (such as sick building syndrome and multiple chemical sensitivity syndrome), chronic pain conditions (such as fibromyalgia, reflex sympathetic dystrophy and myofascial pain), carpal tunnel or repetitive motion syndrome, temporomandibular or craniomandibular joint disorder<sup>2</sup>

As an additional cost-containment option, employers may elect to limit payment of LTD benefits for disabilities caused or contributed to by musculoskeletal or connective tissue disorders such as arthritis, diseases or disorders of the cervical, thoracic or lumbosacral back and its surrounding soft tissue, and strains or sprains of joints or muscles. This expanded limitation would not apply to rheumatoid or psoriatic arthritis, herniated disks with neurological abnormalities that are documented by electromyogram and computerized tomography or magnetic resonance imaging, scoliosis, radiculopathies that are documented by electromyogram, spondylolisthesis (grade II or higher), myelopathies and myelitis, traumatic spinal cord necrosis, osteoporosis, discitis or Paget's disease.

<sup>2</sup> This limitation does not apply to neoplastic diseases, neurologic diseases, endocrine diseases, hematologic diseases, asthma, allergy-induced reactive lung disease, tumors, malignancies, vascular malformations, demyelinating diseases or lupus.

## Limitations

No LTD benefits will be paid for any period when the disabled employee is:

- Not under the ongoing care of a physician in an appropriate specialty as determined by The Standard
- Not participating in good faith in a plan of medical treatment, vocational training or education approved by The Standard, unless the disability prevents the employee from participating
- Able to work part time, but elects not to (i.e., the employee fails to meet his return to work responsibility)
- Confined for any reason in a penal or correctional institution

In addition, payment of LTD benefits is limited to 12 months for any period when the employee resides outside the United States or Canada.

## Exclusions From Coverage

Disabilities are not covered when caused or contributed to by:

- War or any act of war
- An intentionally self-inflicted injury, whether the insured employee is sane or insane<sup>3</sup>
- Loss of professional or occupational license or certification
- Committing or attempting to commit an assault or felony
- Active participation in a violent disorder or riot
- A preexisting condition or treatment of a preexisting condition, unless, on the date disability begins, the employee has been continuously insured under the group policy for the entire 12 months for groups with 20 or more lives and 24 months for groups with fewer than 20 lives and has been actively at work for at least one full day after the end of that exclusion period

Diagnosed or misdiagnosed, a preexisting condition is a mental or physical condition:

- That was discovered or suspected as a result of any routine or other medical examination at any time during the preexisting condition period, or

<sup>3</sup> For Colorado and Missouri residents, "insane" is not applicable.

- For which the employee has (or a reasonably prudent person would have) consulted a physician or other licensed medical professional, received medical treatment, services or advice, undergone diagnostic procedures (including self-administered procedures), or taken prescribed drugs or medications at any time during the preexisting condition period.

The preexisting condition period is the three- or six-month period just before the employee's insurance becomes effective, as specified in the Employee Benefits Proposal.

The Standard grants credit for time served toward satisfying the preexisting condition exclusion period for eligible employees insured under the employer's prior group LTD plan that was replaced by The Standard.

### Deductible Income

The Standard's LTD insurance helps replace part of the income lost as a result of disability. Often employees are eligible for other sources of income, such as workers' compensation or Social Security. To prevent overinsurance, LTD benefits are reduced by an employee's deductible income, which generally includes the following, although these may vary depending on if the employer is a public or private entity:

- Work earnings, as described under "Return to Work Incentive"
- Sick pay, annual or personal leave pay, severance pay or other salary continuation, including donated amounts (but not vacation pay), which, when added to the maximum LTD benefit, exceed 100 percent of indexed predisability earnings
- Benefits from the Federal Social Security Act, the Canada Pension Plan, the Quebec Pension Plan, the Railroad Retirement Act or similar plans or acts providing benefits that the employee or the employee's dependents receive or are eligible to receive<sup>4</sup>
- Benefits the employee receives or is eligible to receive from workers' compensation, state disability income benefits law, the Jones Act, Maritime Doctrine of Maintenance, Wages and Cure, Longshore and Harbor Worker's Compensation Act or any similar acts or laws
- Benefits from other insurance, including individual insurance for professionals, which the employee receives or is eligible to receive

<sup>4</sup> Employers may choose a plan design that offsets LTD benefits by part or none of the dependent's benefits.



- Any earnings or compensation included in predisability earnings which an employee receives or is eligible to receive while LTD benefits are payable
- Any amount an employee receives or is eligible to receive under any unemployment compensation law or similar act or law
- Any amount an employee receives or is eligible to receive from or on behalf of a third party
- Any disability or retirement benefits an employee receives from a private employer's retirement plan
- Any disability or retirement benefits an employee receives or is eligible to receive from a public employer's retirement plan and any lump-sum refund, withdrawal or distribution of contributions and earnings received<sup>5</sup>
- Any amount received by compromise, settlement or other method, as a result of a claim for any of the above, disputed or undisputed

<sup>5</sup> If the employee receives a lump-sum refund, withdrawal or distribution of contributions and earnings, LTD benefits are determined using a lifetime monthly annuity amount with no survivor income. Employee and employer contributions are considered as distributed simultaneously throughout the employee's lifetime, regardless of how funds are distributed from the retirement plan.



### Exceptions To Deductible Income

The following are generally not considered deductible income, although exceptions may vary depending on if the employer is a public or private entity:

- Any amounts attributable to the employee's contributions to the employer's retirement plan or which the employee could have received upon termination of employment without being disabled or retired
- Benefits from a profit-sharing plan, thrift or savings plan, deferred-compensation plan, 401(k), 408(k) or 457 plan, IRA, tax-sheltered annuity under IRC Section 403(b), stock ownership plan or Keogh (HR-10) plan
- Any lump-sum refund, withdrawal or distribution of the employee's contributions and earnings received from the employer's retirement plan because the employee is not vested under the plan
- Social Security early-retirement benefits not received by the insured employee
- Group credit, mortgage disability insurance benefits and accelerated death benefits paid under a life insurance policy
- Any cost-of-living increases in deductible income, other than work earnings
- Reimbursement for hospital, medical or surgical expenses
- Reasonable attorney fees incurred in connection with a claim for deductible income

### Additional LTD Plan Provisions And Services

#### Employee Assistance Program

An Employee Assistance Program (EAP) can help increase productivity by assisting employees with their attempts to balance work and personal life. An EAP can address concerns such as health, marital, family, financial, alcohol, drug, legal, emotional and other personal issues that may adversely affect employee job performance. EAP and Worklife services, administered by Horizon Health, are available to employees covered by the LTD insurance.<sup>6</sup>

A Horizon Health specialist will provide consultation by phone, as well as arrange for up to three face-to-face assessments and short-term counseling sessions from a network provider when necessary. The services also include Critical Incident Stress Debriefings in which a counselor will provide on-site, group counseling for employees if a traumatic event occurs in the workplace.

#### Coverage For New Disabilities

If a period of disability is extended by a new cause while LTD benefits are payable, benefits will continue while the employee remains disabled, but not beyond the end of the original maximum benefit period. In addition, all policy limitations and exclusions apply to the new cause of disability.

#### Survivors Benefit

If an employee who has been continuously disabled for at least 180 days dies while LTD benefits are payable, The Standard will pay a Survivors Benefit. The benefit is a lump sum equal to three times the employee's monthly LTD benefit without reduction by deductible income. The Survivors Benefit is intended to meet a portion of a family's financial needs in the event of the employee's death. The benefit is paid to the surviving spouse or unmarried children under age 25. As an option, it may also be paid to the deceased employee's estate. However, The Standard will first use the Survivors Benefit to reduce any overpayment on the employee's claim.

<sup>6</sup> Provided only for employers with 10-2,499 employees. EAP services are provided through an arrangement with Horizon Behavioral Service, LLC, which is not affiliated with The Standard. EAP is not an insurance product.

### Direct Deposit

The Standard offers direct deposit (also known as Electronic Funds Transfer or EFT), a convenient and secure benefit payment option. With direct deposit, employees' LTD benefit payments will be automatically deposited into their designated checking or savings account on their payment due date, even if that date falls on a weekend or a holiday.

### Social Security Assistance

The Standard offers eligible disabled employees assistance with Social Security benefits starting with the initial application. Each of our claims management teams includes a specialist who helps administer our Social Security assistance program and acts as a liaison to our nationwide network of contracted specialists.

### Payment Of FICA Taxes

The Standard automatically pays the employer's portion of FICA (Social Security and Medicare) taxes for all LTD claims. The Standard prepares, reports and mails W-2 forms and yearly totals to the IRS and Social Security Administration for all LTD claims. This service saves the employer time and helps to expedite tax preparation for the employee.

### Automatic Maximum Benefit Increase

The Automatic Maximum Benefit Increase feature provides for the maximum LTD benefit of the plan to automatically increase by 5 percent annually for five years. This is a convenient way to assure the LTD plan design keeps pace with salary increases without having to amend the group policy each year. There is no cost to add this feature to your coverage, but it must be requested – it's not automatically included in coverage plans.

### Options Available At Additional Cost Benefits For The Severely Disabled

The Standard offers three enhancements to group LTD coverage to address the needs of severely disabled employees:

- Assisted Living Benefit, which may increase the income replacement level up to 80 or 100 percent of insured predisability earnings (up to a \$5,000 maximum benefit)
- Housing Assistance Benefit, which provides an additional 25 percent of predisability earnings to pay for rent or mortgage (up to a \$5,000 maximum benefit)
- Lifetime Security Benefit, which extends the maximum benefit period to the severely disabled employee's lifetime

Employers may choose one of the above or include the Lifetime Security Benefit in conjunction with either of the two other options. When one of these options is included, an employee to whom LTD benefits are payable may receive the additional benefits if, as a result of physical disease or injury, the employee:

- Is unable to safely and completely perform two or more activities of daily living<sup>7</sup> without assistance due to loss of functional capacity, or
- Requires substantial supervision for health or safety due to severe cognitive impairment.

The disabling condition must be expected to last 90 days or more and be certified by a physician in the appropriate specialty as determined by The Standard. Other provisions and benefits may not be available and certain limitations and exclusions will apply.

### Annuity Contribution Benefit

The Annuity Contribution Benefit is designed to bridge the savings gap created when disabled employees no longer have the financial means or opportunity to fund a retirement plan.

After a claimant has been disabled for 36 months, The Standard will set up and fund an individual annuity in the claimant's name. Each month, a designated percentage of the disabled employee's predisability earnings, not to exceed \$5,000, will be deposited into the annuity.

<sup>7</sup> The six activities of daily living are bathing, continence, dressing, eating, toileting and transferring.



### **Family Care Expenses Adjustment**

Another return to work incentive, the Family Care Expenses Adjustment provision applies during the 12 or 24 months immediately after a disabled employee first returns to work. While this applies, work earnings used to calculate LTD benefits may be reduced by a portion of the employee's family-care expenses, up to a monthly maximum of \$250 per family member or \$500 per family. Certain restrictions apply.

### **Dependent Education Benefit**

The Dependent Education Benefit provides a monthly benefit for disabled employees who have children or a spouse who are registered, and in full-time attendance, at an accredited educational institution beyond high school. Disabled employees can receive \$150 for each eligible student, with a maximum of \$600 per month for all eligible students. Spouses must be attending an institution for the purpose of obtaining employment or increasing earnings. Other restrictions may apply.

### **Conversion Provision**

The Conversion of Insurance provision allows qualified employees to obtain LTD conversion insurance after the termination of employment with the employer. To qualify, an employee must meet the eligibility requirements for conversion as outlined in the group policy. Employees may maintain the same benefit level, up to a \$4,000

monthly benefit, without submitting evidence of insurability. A benefit of up to \$8,000 a month may be available with approved evidence of insurability. Conversion is available with most plan designs, although exclusions, limitations and reductions may apply.

### **Cost Of Living Adjustment (COLA) Benefit**

The COLA benefit helps protect an employee's LTD benefits from inflation. The Standard offers COLA benefit options calculated according to the current Consumer Price Index. If on April 1 an employee has been disabled for the preceding calendar year or years (one or five), the LTD benefit will be adjusted with the COLA increase.

### **Age-Graded Maximum Benefit Periods**

The Standard offers a variety of maximum benefit period schedules for employers to provide LTD benefits to employees who work beyond age 65. Typically, the maximum benefit period is determined by the employee's age when the disability begins. The typical age-graded benefit duration schedule includes a maximum benefit period to age 65 for employees who become disabled before age 62, with the benefit duration age-graded for employees who become disabled on or after age 62. With the Social Security normal retirement age (SSNRA) maximum benefit period option, the maximum benefit period corresponds to the employee's SSNRA under the federal Social Security Act. Additional options for maximum benefit periods beyond age 70 are also available.

## Commonly Asked Questions

### Who Is Eligible For Coverage?

Coverage is available to all of an employer's active employees who:

- Are citizens or residents of the United States or Canada
- Are actively at work at least 30 hours each week
- Meet the required eligibility waiting period as shown in the Employee Benefits Proposal

Temporary and seasonal employees, full-time members of the armed forces of any country, leased employees and independent contractors are not eligible for coverage. There is no age limit on eligibility for coverage under The Standard's group insurance plans.

### What Is The Effective Date Of This Plan?

Subject to the active work requirement, coverage is effective as follows:

- Coverage requiring evidence of insurability is not effective until evidence is approved
- For noncontributory plans, coverage is effective on the date the employee becomes eligible
- For contributory plans, employees must apply in writing for coverage. Coverage is effective on the later of:
  - The date the employee becomes eligible
  - The date the employee applies if the employee submits an application within 31 days of becoming eligible
  - The date required evidence of insurability is approved, if the employee applies more than 31 days after becoming eligible



### What Is The Active Work Requirement?

Employees who are performing the material duties of their own occupation at the employer's usual place of business meet the active work requirement. Employees who are not capable of active work due to physical disease, injury, pregnancy or mental disorder on the day before insurance would otherwise become effective will not become insured until the day after completing one full day of active work as an eligible employee.

### What Level Of Employee Participation Is Required?

For noncontributory plans, 100 percent of the eligible employees must participate. If a plan is contributory (partially or fully funded by employees), a minimum number of eligible employees must participate, as specified in the Employee Benefits Proposal.



### When Does Coverage End?

LTD insurance ends automatically on the earliest of the following:

- The date the last period ends for which a premium contribution is received
- The date the group policy terminates
- The date employment terminates
- The date the employee fails to meet the definition of a member (however, LTD insurance may be continued under certain conditions, such as during an approved leave of absence scheduled to last no more than 30 days)

### When Does The Group Policy Terminate?

An employer may terminate a group policy by providing The Standard with written notice. The group policy will automatically terminate if the premium is not received by the end of the grace period shown in the Employee Benefits Proposal. The Standard may terminate the group policy if the number of employees insured is less than the minimum participation requirement shown in the Employee Benefits Proposal. The Standard may also terminate the group policy if we determine that the policyholder has failed to promptly furnish any necessary information requested by us or has failed to perform any other obligations relating to the group policy.

### Performance Guarantee

The Standard is committed to providing world-class customer service. We guarantee we will meet the policyholder's overall service expectations or we will refund 5 percent of the quarterly expenses charged to the policyholder's account (for administration and paying claims) for any quarter in which we do not meet this guarantee.<sup>8</sup>

<sup>8</sup> The minimum group size for Performance Guarantee for LTD coverage is 1,000 covered employees. No more than one refund per quarter will be paid. Claim decisions are made based on the terms of the plan. The ultimate claim decision, whether to approve or deny, is not covered by this Performance Guarantee. This guarantee is in effect for the initial rate guarantee period shown in the group policy. Thereafter, The Standard reserves the right to modify the terms or terminate this guarantee at any time at its sole discretion.

Standard Insurance Company

TheStandard<sup>®</sup>

Benefits at a Glance for [Company Name]

Group Policy # [123456]

Effective Date [January 1, 2009]

## Group Basic Life [and Accidental Death and Dismemberment] Insurance

Basic Life insurance from Standard Insurance Company helps provide financial protection by promising to pay a benefit in the event of an eligible employee's covered death. [Basic Accidental Death and Dismemberment (AD&D) insurance may provide an additional amount in the event of a covered death or dismemberment as a result of an accident.]

The cost of this insurance is paid by [Company Name].

### Eligibility

#### Eligible Employee

An active employee of the employer working at least [X] hours each week. An eligible employee does not include a temporary or seasonal employee, full-time member of the armed forces, leased employee or an independent contractor.

#### [Class Definition

Class 1 All active faculty or salaried staff employees

Class 2 All active hourly employees]

#### Waiting Period Before Becoming Eligible for Insurance

None for those that meet the definition of an eligible employee on the group policy effective date. All other employees become eligible on the [first day of the month coinciding with or next following [X] days as an eligible employee].

### Benefits

#### Employee Coverage Amount

The Basic Life coverage amount is [\$00,000.] [X times annual earnings to a maximum of \$000,000.]

[Acceptable evidence of good health may be required to become insured for the amount of coverage in excess of \$000,000.]

#### [AD&D Insurance

For accidental loss of life, the amount of this insurance benefit is equal to the employee Basic Life coverage amount. For other covered losses, the amount of this benefit is a percentage of the AD&D insurance coverage amount.]

#### [Age Reductions

Under this policy, insurance coverage reduces by 35 percent at age 65, 50 percent at age 70, and 65 percent at age 75.]



**[Dependents Life Insurance]**

The insurance policy provides \$[X] of coverage for the employee's eligible spouse[/domestic partner].

The insurance policy also provides \$[X] of coverage for the employee's eligible child(ren).]

**Other Life Features & Services**

- 
- |  |   |
|--|---|
| • Right to Convert Provision           | • [Accelerated Benefit]                           |
| • [Portability of Insurance Provision] | • [MEDEX <sup>®</sup> Travel Assist]              |
| • [Waiver of Premium]                  | • [Standard Secure Access account payment option] |
| • [Repatriation Benefit]               |   |

**[Other AD&D Features]**

- 
- |                             |                             |
|-----------------------------|-----------------------------|
| • [Seat Belt Benefit]       | • [Expanded AD&D Package]   |
| • [Air Bag Benefit]         | • [Common Disaster Benefit] |
| • [Family Benefits Package] | • [Line of Duty Benefit]    |

*This information is only a brief description of the group Basic Life[/AD&D] insurance policy sponsored by [Company Name]. The controlling provisions will be in the group policy issued by The Standard. The group policy contains a detailed description of the limitations, [reductions in benefits,] exclusions and when The Standard and the employer may increase the cost of coverage, amend or cancel the policy. A group certificate of insurance that describes the terms and conditions of the group policy is available for employees who become insured according to its terms. For more complete details of coverage, contact your human resources representative.*



**The Standard<sup>®</sup>**  
Positively different.

**Additional Life Coverage Highlights**  
**[ABC Company, Inc.]**

**Additional Life [and Accidental Death & Dismemberment (AD&D)] Insurance**

Standard Insurance Company has developed this document to provide you with information about the optional coverage you may select through your *employer*. Written in non-technical language, this is not intended as a complete description of the coverage. If you have additional questions, please refer to the Additional Life Employee Brochure included in your packet or check with your human resources representative.

**Employer Plan Effective Date**

Your *employer* will provide Basic Life coverage from The Standard. If you qualify for Basic Life, you may also apply for Additional Life coverage to supplement your Basic Life amount. A minimum number of eligible employees must apply and qualify for the proposed plan before Additional Life coverage can become effective. This level of participation has been agreed upon by your *employer* and The Standard.

**Eligibility**

To be eligible for this plan:

- You must be insured for Basic Life
- You must be an active employee of [ABC Company, Inc.], excluding [name of job classifications not eligible, e.g., doctor, secretary], temporary or seasonal employees, full-time members of the armed forces, leased employees or independent contractors
- You must be regularly working at least [00] hours each week
- [Your spouse or children must not be full-time members of the armed forces of any country]

**Employee Coverage Amount**

You may elect Additional Life coverage in units of [\$00,000] to a maximum of [\$000,000]. [The minimum amount you can elect is [\$00,000].]

If you wish to become insured for an amount of [combined Basic and] Additional Life in excess of [\$00,000], the excess will be subject to medical underwriting approval. All late applications and requests for coverage increases are also subject to medical underwriting approval.

[Dependents Life Insurance from Standard Insurance Company is also included in this plan.]

[Additional Accidental Death and Dismemberment Insurance from Standard Insurance Company is also included in this plan.]

**Spouse Coverage Amount**

This coverage is available in units of [\$00,000] to a maximum of [\$000,000], [but not to exceed 100 percent of your combined Basic and Additional Life coverage.]

If you elect an amount for your *spouse* greater than [\$00,000], the excess will be subject to medical underwriting approval. All late applications and requests for coverage increases will also require medical underwriting approval.

**Coverage Amount for Children**

You may elect [\$5,000] of Dependents Life Insurance for your eligible *children*. This amount may not exceed 100 percent of your [combined Basic and] Additional Life coverage. All late applications will be subject to medical underwriting approval.

Standard Insurance Company

Additional Life Coverage Highlights  
[ABC Company, Inc.]**Employee Rates**

If you elect Additional Life insurance, your monthly premium rate for this plan is indicated in the table below. Premiums for this coverage will be deducted directly from your paycheck.

Age (as of MM/DD/YY)	Rate (Per \$1000 of Total Coverage)
<30	\$0.00
30-34	\$0.00
35-39	\$0.00
40-44	\$0.00
45-49	\$0.00
50-54	\$0.00
55-59	\$0.00
60-64	\$0.00
65-69	\$0.00
70+	\$0.00

To calculate your premium:

1. Amount Elected: Write this amount on the Additional/Optional Life Requested Amount line on your Enrollment and Change Form.

Line 1: \_\_\_\_\_

2. Line 1 divided by \$1,000 = Line 2.

Line 2: \_\_\_\_\_

3. Rate (from chart).

Line 3: \_\_\_\_\_

4. Line 2 multiplied by Line 3 = Your monthly cost.

Line 4: \_\_\_\_\_

**Spouse Rates**

If you elect Additional Life insurance for your *spouse*, your monthly premium rate for this coverage is indicated in the table below. Premiums for this coverage will be deducted directly from your paycheck.

Age (as of MM/DD/YY)	Rate (Per \$1000 of Total Coverage)
<30	\$0.00
30-34	\$0.00
35-39	\$0.00
40-44	\$0.00
45-49	\$0.00
50-54	\$0.00
55-59	\$0.00
60-64	\$0.00
65-69	\$0.00
70+	\$0.00

To calculate the premium for your spouse:

1. Amount Elected: Write this amount on the Dependent Life Spouse Requested Amount line on your Enrollment and Change Form.

Line 1: \_\_\_\_\_

2. Line 1 divided by \$1,000 = Line 2.

Line 2: \_\_\_\_\_

3. Rate (from chart).

Line 3: \_\_\_\_\_

4. Line 2 multiplied by Line 3 = Your monthly cost.

Line 4: \_\_\_\_\_

**Employee Coverage Effective Date**

Please contact your human resources representative for more information regarding the following requirements that must be satisfied for your insurance to become effective. You must satisfy:

- Eligibility requirements
- An *eligibility waiting period*
- [An *evidence of insurability* requirement]
- An *active work* requirement. This means that if you are not *actively at work* on the day before the scheduled effective date of insurance [including Dependents Life Insurance], your insurance will not become effective until the day after you complete [00 days] of *active work* as an eligible employee.

**Age Reductions**

Under this plan, coverage reduces by [35 percent at age 65, 50 percent at age 70, and 65 percent at age 75]. If you [or your spouse] are age [65] or over, ask your human resources representative for the amount of coverage available.

Standard Insurance Company

Additional Life Coverage Highlights  
[ABC Company, Inc.]**Suicide Exclusion**

This plan includes an exclusion for death resulting from suicide or other intentionally self-inflicted injury. The amount payable will exclude amounts that have not been continuously in effect for at least two years on the date of death. This is subject to state variations.

**Waiver of Premium Provision**

The Standard may continue your Life Insurance without premium payments if you:

- Become *totally disabled* while insured under the *group policy*
- Are under the age of [00]
- Complete the *waiting period* of [000 days]
- Give us satisfactory proof of loss

[*Waiver of Premium* does not apply to AD&D Insurance.]

**Portability**

If your insurance ends because your employment terminates, you may be eligible to buy portable group insurance coverage. Please see your human resources representative for additional information. This is subject to state variations.

**When Spouse and Child Coverage Ends**

Your brochure includes information about when your insurance ends. Any *spouse* and *child* coverage will automatically end on the earliest of the following:

- Five months after the date you die
- The date your Life Insurance ends
- The date Dependents Life Insurance terminates under the *group policy*
- The date your *employer's* coverage under the *group policy* for Dependents Life Insurance terminates
- The date the last period ends for which a premium was paid for your Dependents Life Insurance
- When the *dependent* ceases to be an eligible *dependent*
- For your *spouse* the date of your divorce or legal separation
- For a *child* who is *disabled*, 90 days after we mail you a proof of *disability* request, if proof is not given]

Standard Insurance Company

Additional Life Coverage Highlights  
[ABC Company, Inc.]**Accidental Death & Dismemberment (AD&D) Insurance**

With Additional Life and AD&D Insurance from Standard Insurance Company, you or your beneficiaries may be eligible to receive an additional amount in the event of death or dismemberment as a result of an accident.

**AD&D Insurance Coverage Amount**

The amount of this *AD&D Insurance Benefit* for *loss of life* is equal to the amount payable for Additional Life Insurance coverage on the date of the accident.

The amount of this *AD&D Insurance Benefit* for other covered *losses* is a percentage of the amount payable for Additional Life Insurance coverage on the date of the accident, as shown in the following table:

<u>Loss:</u>	<u>Percentage Payable:</u>
One hand or one foot	[50%]
Sight in one eye, [speech,] or hearing in both ears	[50%]
Two or more of the <i>Losses</i> listed above	[100%]
Thumb and index finger of the same hand	[25%]
Quadriplegia	[100%]
Hemiplegia	[50%]
Paraplegia	[50%]

**Additional Features**

Following are brief descriptions of features included in this plan. These features offer additional benefits when an *AD&D Insurance Benefit* is payable.

[Seat Belt Benefit	This provision provides an additional benefit in the event of a covered automobile accident.]
[Air Bag Benefit	This provision provides an additional benefit in the event of a covered automobile accident for which a <i>Seat Belt Benefit</i> is payable.]
[Family Benefits Package	Through this provision, your eligible family members may be entitled to receive additional financial help for child care, college or career training. Included are the <i>Child Care Benefit</i> , <i>Higher Education Benefit</i> and <i>Career Adjustment Benefit</i> .]
[Occupational Assault	This provision provides an additional benefit if you suffer death or dismemberment as a result of an act of workplace physical violence that is punishable by law.]
[Public Transportation	This provision provides an additional benefit in the event of death as a result of an accident that occurs while you are riding as a fare-paying passenger on public transportation.]
[Common Disaster Benefit	This provision provides an additional benefit to your <i>child</i> if both you and your <i>spouse</i> die as a result of the same accident for which an <i>AD&amp;D Insurance Benefit</i> is payable for the <i>loss</i> of both lives.]
[Line of Duty Benefit	This provision provides an additional benefit for public safety officers who suffer death or dismemberment in an accident while acting in the line of duty.]

**Limitations**

The *loss* must occur solely by an accident and independently of all other causes, within 365 days after the accident. *Loss of life* must be evidenced by a certified copy of the death certificate. All other *losses* must be certified by a *physician* in the appropriate specialty as determined by us.

Standard Insurance Company

Additional Life Coverage Highlights  
[ABC Company, Inc.]**Exclusions**

*AD&D Insurance Benefits* are not payable for death or dismemberment caused or contributed to by:

- *War* or act of *war*, declared or undeclared, whether civil or international, and any substantial armed conflict between organized forces of a military nature
- Suicide or other intentionally self-inflicted *injury*, subject to state variations
- Committing or attempting to commit an assault or felony, or actively participating in a violent disorder or riot
- Voluntary use or consumption of any poison, chemical compound, alcohol or drug, unless used or consumed according to the directions of a *physician*
- Sickness or pregnancy existing at the time of the accident
- Heart attack or stroke
- Medical or surgical treatment for any of the above

**When Coverage Ends**

AD&D Insurance [for you and your *dependents*] will automatically end on the earliest of the following:

- The date your Life Insurance ends
- The date your *Waiver of Premium* begins
- The date AD&D Insurance terminates under the *group policy*
- The date the last period ends for which a premium was paid for your AD&D Insurance
- The date your *employer's* coverage under the *group policy* for AD&D Insurance terminates
- For your *dependents*, the date your Dependents Life Insurance ends
- The date your employment terminates

**Group Insurance Certificate**

If you become insured, you will receive a group insurance certificate containing a detailed description of the insurance coverage. The information presented above is controlled by the *group policy* and does not modify it in any way. The controlling provisions are in the *group policy* issued by Standard Insurance Company.



TheStandard®

Standard Insurance Company  
800.368.2859 Tel 800.378.6053 Fax  
PO Box 2800 Portland OR 97208

## Disability Insurance Claim Packet Instructions

### Your Disability Benefit Claim

This packet contains the forms necessary to apply for disability benefits. It also addresses common questions about Disability claims. **Please save this material for your future reference.** For specific information about your Disability insurance coverage, refer to your group insurance certificate. The certificates are the ultimate authority for Disability claim decisions. If you need other information, please contact your employer's benefit administrator or call our customer service line at (800) 368-2859.

### How To Apply For Benefits

The Disability benefits application includes claim forms and an Authorization.

1. Your employer should complete their portion of the claim form on page 2, before giving the packet to you.
2. Complete and sign your part of the claim form. Compare your responses to those of your employer to make sure you agree on all information, including **last day of work** and **sick leave** dates.
3. Your treating physician should complete the Attending Physician's Statement. If more than one physician is treating you for your disabling condition, each should complete a form. Additional forms are available from your employer's benefit administrator.
4. Sign and date the Authorization, and send it, along with the claim forms, to Standard Insurance Company (The Standard) at the above address. This authorization allows us to request further information about your claim, if necessary.

Once we receive your completed claim application, it will take approximately one week to make a claim decision. If we have not reached a decision within one week, you will be notified with the details.

### Other Benefits That May Reduce Your Disability Benefits

Other benefits you receive may reduce the amount of Disability benefits due you. Your group insurance certificate lists these benefits, which may include, but are not limited to, sick leave, Workers' Compensation, State Disability, Social Security, and Retirement.

To avoid a possible overpayment of your claim, please inform The Standard if you receive other benefits.

### When You Return To Work

Your disability benefits usually stop when you return to work. **Be sure that you or your employer notify The Standard immediately when you plan to return, or have returned to work** to assure no overpayment occurs.

## Standard Insurance Company

800.368.2859 Tel 800.378.6053 Fax  
PO Box 2800 Portland OR 97208

**Disability Insurance**  
**Employer/Employee Statement**

**TO BE COMPLETED BY EMPLOYER**

Employee's Full Name:		Social Security No.:	Job Title: <i>(Please attach a copy of the job description.)</i>	1. Date Employed:
Work Location: Address:		State: Zip Code:		
2. Is employee insured for Short Term Disability? <input type="checkbox"/> Yes <input type="checkbox"/> No Effective date: _____ Is employee insured for Long Term Disability? <input type="checkbox"/> Yes <input type="checkbox"/> No Effective date: _____ Is employee insured for Group Life Insurance through The Standard? <input type="checkbox"/> Yes <input type="checkbox"/> No		3. Is disability work related? <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Undetermined 4. Has the employee filed for: Workers' Compensation <input type="checkbox"/> Yes <input type="checkbox"/> No State Disability: <input type="checkbox"/> Yes <input type="checkbox"/> No Other: _____ <input type="checkbox"/> Yes <input type="checkbox"/> No Weekly Amount: _____		
5. Employee's earnings: \$ _____ (Check one) <input type="checkbox"/> hourly <input type="checkbox"/> weekly <input type="checkbox"/> monthly <input type="checkbox"/> annual <input type="checkbox"/> commission <input type="checkbox"/> other <input type="checkbox"/> shift differential <input type="checkbox"/> bonuses Date of last increase: _____ Earnings prior to increase: \$ _____			6. Last active day at work: _____ 7. Job status when disability began: <input type="checkbox"/> Full-time (____ hours/week) <input type="checkbox"/> Part-time (____ hours/week)	
8. Date employee returned to work:	9. Last day through which sick leave benefits were paid by employer:		10. Last day through which any compensation was paid by employer:	
11. Is employee subject to: Social Security taxes? <input type="checkbox"/> Yes <input type="checkbox"/> No Medicare taxes? <input type="checkbox"/> Yes <input type="checkbox"/> No		12. What percentage of the STD premium does the employer pay? _____% What percentage of the LTD premium does the employer pay? _____% Has either percentage changed within the last three years? <input type="checkbox"/> Yes <input type="checkbox"/> No Are employer paid premiums included in the employee's salary? <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A		
13. Are employee premiums paid with pre-tax dollars (IRC Section 125 cafeteria plans)? <input type="checkbox"/> Yes <input type="checkbox"/> No				
Employer:	Location Code:	Phone No.:	Policy No.:	
Mailing Address:		City:	State:	Zip Code:
<b>Acknowledgement</b> I hereby certify that the answers I have made to the foregoing questions are both complete and true to the best of my knowledge and belief. I acknowledge that I have read the fraud notice on page 3 of this form.				
Signature:			Date:	

**TO BE COMPLETED BY EMPLOYEE**

Full Name:		Social Security No.:	Phone No.:	
Birthdate:		Sex: <input type="checkbox"/> M <input type="checkbox"/> F	No. of Dependent Children:	Birthdate of Youngest:
Address:		City:	State:	Zip Code:
1. Is your disability work related? <input type="checkbox"/> Yes <input type="checkbox"/> No		2. Have you filed a Workers' Compensation claim? <input type="checkbox"/> Yes <input type="checkbox"/> No		
3. Do you intend to file? <input type="checkbox"/> Yes <input type="checkbox"/> No		4. Last active day at work:		
5. Date you became unable to work at your occupation because of disability:		6. Date you returned or expect to return to work:		
7. <input type="checkbox"/> Accident. When and where did it happen?  <input type="checkbox"/> Illness. When did you first notice and what is the nature of your disability?		8. How does your disability prevent you from working?  9. Have you had a previous disability claim with The Standard? <input type="checkbox"/> Yes <input type="checkbox"/> No 10. Pregnancy: Expected delivery date: _____ Actual delivery date: _____ Type of delivery: <input type="checkbox"/> Vaginal <input type="checkbox"/> C-section		
<b>Acknowledgement</b> I hereby certify that the answers I have made to the foregoing questions are both complete and true to the best of my knowledge and belief. I acknowledge that I have read the fraud notice on page 3 of this form.				
Signature:			Date:	



## Standard Insurance Company

800.368.2859 Tel 800.378.6053 Fax  
PO Box 2800 Portland OR 97208

**Disability Insurance  
Claim Form Fraud Notices**

Some states require us to provide the following information to you:

**CALIFORNIA RESIDENTS**

For your protection, California law requires the following to appear on this form: Any person who knowingly presents a false or fraudulent claim for the payment of a loss is guilty of a crime and may be subject to fines and confinement in state prison.

**COLORADO RESIDENTS**

It is unlawful to knowingly provide false, incomplete or misleading facts or information to an insurance company for the purpose of defrauding or attempting to defraud the company. Penalties may include imprisonment, fines, denial of insurance, and civil damages. Any insurance company or agent of an insurance company who knowingly provides false, incomplete, or misleading facts or information to the policyholder or claimant for the purpose of defrauding or attempting to defraud the policyholder or claimant with regard to a settlement or award payable from insurance proceeds shall be reported to the Colorado division of insurance within the department of regulatory agencies.

**FLORIDA RESIDENTS**

Any person who knowingly and with intent to injure, defraud or deceive an insurance company, files a statement of claim or an application containing false, incomplete or misleading information is guilty of a felony of the third degree.

**NEW JERSEY RESIDENTS**

Any person who knowingly files a statement of claim containing any false or misleading information is subject to criminal and civil penalties.

**NEW YORK RESIDENTS**

Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information, or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime, and shall also be subject to a civil penalty not to exceed five thousand dollars and the stated value of the claim for each such violation.

**PENNSYLVANIA RESIDENTS**

Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information or conceals for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime and subjects such person to criminal and civil penalties.

**ALL OTHER RESIDENTS**

Some states require us to inform you that any person who knowingly and with intent to injure, defraud or deceive an insurance company, or other person, files a statement containing false or misleading information concerning any fact material hereto commits a fraudulent insurance act which is subject to civil and/or criminal penalties, depending upon the state. Such actions may be deemed a felony and substantial fines may be imposed.

## Standard Insurance Company

800.368.2859 Tel 800.378.6053 Fax  
PO Box 2800 Portland OR 97208

**Disability Insurance**  
**Attending Physician's Statement**

**TO BE COMPLETED BY EMPLOYEE**

Full Name:	Employer:	Group Policy No.:
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The following information is needed to document the patient's inability to work. The patient is responsible for completing this form without expense to The Standard. Please complete this form and mail it to The Standard at the address listed above.

**TO BE COMPLETED BY THE ATTENDING PHYSICIAN**

<b>1. Diagnosis</b>										
A. Diagnosis:		ICDA Classification:								
B. Symptoms:		C. Objective Findings: Height:                      Weight:                      B/P:								
<b>2. Pregnancy (if applicable)</b>										
A. Expected date of delivery:	B. Actual date of delivery:	C. Type of delivery: <input type="checkbox"/> Vaginal <input type="checkbox"/> C-section								
D. Significant complications, if any:										
<b>3. History</b>										
A. Date you recommended the patient stop work:		B. When did symptoms appear or accident happen?								
C. Has the patient ever had the same or similar condition? <input type="checkbox"/> Yes <input type="checkbox"/> No		If yes, when?								
D. Is this condition related to the patient's employment? <input type="checkbox"/> Yes <input type="checkbox"/> No		E. Did you complete a workers' compensation claim form? <input type="checkbox"/> Yes <input type="checkbox"/> No								
<b>4. Treatment</b>										
A. Date of first visit:	B. Date(s) of subsequent visits:	C. Date of most recent visit:								
D. Planned course and duration of treatment (include surgery and medications, if any):										
<b>5. Level of Functional Impairment</b>										
A. Describe the patient's mental and cognitive limitations, if any.	B. In a work day given two breaks and a meal break, your patient can:									
	Lift (in pounds) <input type="checkbox"/> 1-10 <input type="checkbox"/> 11-20 <input type="checkbox"/> 21-50 <input type="checkbox"/> 51-75 <input type="checkbox"/> 76+									
	Carry (in pounds) <input type="checkbox"/> 1-10 <input type="checkbox"/> 11-20 <input type="checkbox"/> 21-50 <input type="checkbox"/> 51-75 <input type="checkbox"/> 76+									
	Total Hours                      With positional change									
	Sit	8	7	6	5	4	3	2	1	(hrs) _____
	Stand	8	7	6	5	4	3	2	1	(hrs) _____
	Walk	8	7	6	5	4	3	2	1	(hrs) _____
Alternately sit/stand	8	7	6	5	4	3	2	1	(hrs) _____	
Bend/stoop: <input type="checkbox"/> Never <input type="checkbox"/> Occasionally <input type="checkbox"/> Frequently										
C. Is the patient competent to manage insurance benefits? <input type="checkbox"/> Yes <input type="checkbox"/> No If no, is the patient competent to appoint someone to help manage the insurance benefits? <input type="checkbox"/> Yes <input type="checkbox"/> No										
<b>6. Hospitalization (if applicable)</b>										
A. Date admitted:			B. Date discharged:			C. Reason:				
D. Name of hospital:										
<b>7. Prognosis</b>										
A. Since onset of symptoms, the patient's condition has: <input type="checkbox"/> Improved <input type="checkbox"/> Not changed <input type="checkbox"/> Retrogressed										
B. When do you anticipate the patient can return to work? <input type="checkbox"/> Date: <input type="checkbox"/> Unable to determine, follow up in:    weeks <input type="checkbox"/> Never										
<b>8. Physician Information (Please type or print.)</b>										
Name of physician completing this form:								Phone No.: (    )		
Specialty:				Tax ID. No.:				Fax No.: (    )		
Address:				City:			State:		Zip Code:	
<b>Acknowledgement</b> I hereby certify that the answers I have made to the foregoing questions are both complete and true to the best of my knowledge and belief. I acknowledge that I have read the fraud notice on page 5 of this form.										
Signature:								Date:		

## Standard Insurance Company

800.368.2859 Tel 800.378.6053 Fax  
PO Box 2800 Portland OR 97208

**Disability Insurance  
Claim Form Fraud Notices**

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Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information, or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime, and shall also be subject to a civil penalty not to exceed five thousand dollars and the stated value of the claim for each such violation.

**PENNSYLVANIA RESIDENTS**

Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information or conceals for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime and subjects such person to criminal and civil penalties.

**ALL OTHER RESIDENTS**

Some states require us to inform you that any person who knowingly and with intent to injure, defraud or deceive an insurance company, or other person, files a statement containing false or misleading information concerning any fact material hereto commits a fraudulent insurance act which is subject to civil and/or criminal penalties, depending upon the state. Such actions may be deemed a felony and substantial fines may be imposed.

## Standard Insurance Company

800.368.2859 Tel 800.378.6053 Fax  
PO Box 2800 Portland OR 97208

**Disability Insurance**  
**Authorization to Obtain Information**

**I AUTHORIZE THESE PERSONS** having any records or knowledge of me or my health:

- Any physician, medical practitioner or health care provider.
- Any hospital, clinic, pharmacy or other medical or medically related facility or association.
- Any insurance or annuity company.
- Any employer or plan sponsor.
- Any organization or entity administering a benefit program or an annuity program.
- Any educational, vocational or rehabilitational organization or program.
- Any consumer reporting agency, financial institution, accountant, or tax preparer.
- Any government agency (*for example, Social Security Administration, Public Retirement System, Railroad Retirement Board, etc.*).

**TO GIVE THIS INFORMATION:**

- Charts, notes, x-rays, operative reports, lab and medication records and all other medical information about me, including medical history, diagnosis, testing and test results. Prognosis and treatment of any physical or mental condition, including:
  - Any disorder of the immune system, including HIV, Acquired Immune Deficiency Syndrome (AIDS) or other related syndromes or complexes.
  - Any communicable disease or disorder.
  - Any psychiatric or psychological condition, including test results, but excluding psychotherapy notes. Psychotherapy notes do not include a summary of diagnosis, functional status, the treatment plan, symptoms, prognosis and progress to date.
  - Any condition, treatment, or therapy related to substance abuse, including alcohol and drugs.

and:

- Any non-medical information requested about me, including such things as education, employment history, earnings or finances, or eligibility for other benefits including retirement benefits and retirement plan contributions (*for example, Social Security Administration, Public Retirement System, Railroad Retirement Board, claims status, benefit amounts and effective dates, etc.*).

**TO STANDARD INSURANCE COMPANY (THE STANDARD).**

- I acknowledge that any agreements I have made to restrict my protected health information do not apply to this authorization and I instruct the persons and organizations identified above to release and disclose my entire medical record without restriction. I understand that The Standard will use the information to determine my eligibility or entitlement for insurance benefits.
- I understand and agree that this authorization shall remain in force throughout the duration of my claim for benefits with The Standard. I understand that I have the right to refuse to sign this authorization and a right to revoke this authorization at any time by sending a written statement to The Standard, except to the extent it has been relied upon to disclose requested records. A revocation of the authorization, or the failure to sign the authorization, may impair The Standard's ability to evaluate or process my claim and may be a basis for denying my claim for benefits.
- I understand that in the course of conducting its business, The Standard may disclose to other parties information it has about me. The Standard may release this information about me to a reinsurer, a plan administrator, or any person performing business or legal services for The Standard in connection with my claim.
- I understand that The Standard complies with state and federal laws and regulations enacted to protect my privacy. I also understand that the information disclosed to The Standard pursuant to this authorization may be subject to redisclosure with my authorization or as otherwise permitted or required by law. (Disability coverage is not subject to the Privacy Rules of the Health Insurance Portability and Accountability Act [HIPAA] and therefore the release of information to The Standard is not protected under the Act.)
- I acknowledge that I have read the authorization and the state variations (*if applicable*) on page 7. A photocopy or facsimile of this authorization is as valid as the original and will be provided to me upon request.

Name (*please print*)

Social Security No.

Signature of Claimant/Representative

Date

If signature is provided by legal representative (e.g., Attorney in Fact, guardian or conservator), please attach documentation of legal status.

*This Authorization is a two-page document. Please see page 7 for additional terms and information. Both pages are part of the Authorization.*

## Standard Insurance Company

800.368.2859 Tel 800.378.6053 Fax  
PO Box 2800 Portland OR 97208

**Disability Insurance  
Authorization to Obtain Information**

Some states require us to provide the following information to you and to those persons and entities disclosing information about you:

**FOR RESIDENTS OF MINNESOTA**

This authorization excludes the release of information about HBV (Hepatitis B Virus), HCV (Hepatitis C Virus), or HIV (Human Immunodeficiency Virus) tests which were administered (1) to a criminal offender or crime victim as a result of a crime that was reported to the police; (2) to a patient who received the services of emergency medical services personnel at a hospital or medical care facility; (3) to emergency medical personnel who were tested as a result of performing emergency medical services. The term "emergency medical personnel" includes individuals employed to provide pre-hospital emergency services; licensed police officers, firefighters, paramedics, emergency medical technicians, licensed nurses, rescue squad personnel, or to other individuals who serve as volunteers of an ambulance service who provide emergency medical services; crime lab personnel, correctional guards, including security guards, at the Minnesota security hospital, who experience a significant exposure to an inmate who is transported to a facility for emergency medical care; and other persons who render emergency care or assistance at the scene of an emergency, or while an injured person is being transported to receive medical care and who would qualify for immunity under the good samaritan law.

**FOR RESIDENTS OF NEW MEXICO**

The state of New Mexico requires us to provide you with the following information pursuant to its Domestic Abuse Insurance Protection Act.

The accompanying Authorization to Obtain Information allows Standard Insurance Company to obtain personal information as it determines your eligibility for insurance benefits. The information obtained from you and from other sources may include confidential abuse information. "Confidential abuse information" means information about acts of domestic abuse or abuse status, the work or home address or telephone number of a victim of domestic abuse or the status of an applicant or insured as a family member, employer or associate of a victim of domestic abuse or a person with whom an applicant or insured is known to have a direct, close personal, family or abuse-related counseling relationship. With respect to confidential abuse information, you may revoke this authorization in writing, effective ten days after receipt by The Standard, understanding that doing so may result in a claim being denied or may adversely affect a pending insurance action.

The Standard is prohibited by law from using abuse status as a basis for denying, refusing to issue, renew or reissue or canceling or otherwise terminating a policy, restricting or excluding coverage or benefits of a policy or charging a higher premium for a policy.

Upon written request you have the right to review your confidential abuse information obtained by The Standard. Within 30 business days of receiving the request, The Standard will mail you a copy of the information pertaining to you. After you have reviewed the information, you may request that we correct, amend or delete any confidential abuse information which you believe is incorrect. The Standard will carefully review your request and make changes when justified. If you would like more information about this right or our information practices, a full notice can be obtained by writing to us.

If you wish to be a protected person (a victim of domestic abuse who has notified The Standard that you are or have been a victim of domestic abuse) and participate in The Standard's location information confidentiality program, your request should be sent to the same address above.



**TheStandard®**

Standard Insurance Company  
Life Benefits Department  
PO Box 2800 Portland OR 97208 800.628.8600 Tel

## **Life Insurance Benefits Application Instructions**

### **Please Read Carefully**

The application for life insurance benefits consists of the forms included in this packet, as well as the additional information noted under item 1 below. Please fill out every space on the Proof of Death form to avoid delays in our examination of your application for benefits. If a section does not apply, or information is not available, please write "NONE" in the space, so that we know you did not overlook the particular question. **If an incomplete form is received, it may be returned for completion.**

**1. Include the following information with the Proof of Death form.**

- Beneficiary Statement(s).  
*(See attached. If there is more than one beneficiary, please make a copy of the front and back of the statement.)*
- Certified death certificate.
- All original enrollment forms and change of beneficiary cards.
- For AD&D and Seat Belt claims, attach newspaper clippings, police or accident reports, and any other information available regarding the accident.

**2. Please have the beneficiary(ies) carefully read and complete the Beneficiary Statement which contains information about taxes and the Standard Secure Access account.**

Beneficiaries may receive their funds via Standard Secure Access (SSA) in accordance with the terms of the group policy. SSA is a convenient, interest-bearing checking account in which life insurance proceeds are deposited. With SSA, the beneficiary is able to earn interest on the life insurance proceeds while taking the time to weigh important financial decisions that often follow the death of a loved one.

The Beneficiary will be mailed a checkbook once the claim is approved. In addition, all SSA accountholders have access to 24-hour customer service via a voice response unit (VRU) and a dedicated customer service team.

Please make sure all required forms are completed and returned to our office. Our examination of the claim will begin when all completed forms are received. Should you have questions, our office is available to assist you. Please call (800) 628-8600 or email us at [lifebenefits@standard.com](mailto:lifebenefits@standard.com).

## Standard Insurance Company

Life Benefits Department  
PO Box 2800 Portland OR 97208 800.628.8600 Tel

**Life Insurance Benefits  
Proof of Death Claim Form**

*Please type or print. Forms may be returned for unanswered questions.*

Name of Deceased:				Effective Date of Member's Insurance:	
Social Security No.:				Date of Membership/Employment:	
Date of Birth:				Date member was last actively at work:	Had employment terminated prior to death? <input type="checkbox"/> Yes <input type="checkbox"/> No Date: _____
Date of Death:				Reason member ceased working: <input type="checkbox"/> Death <input type="checkbox"/> Illness <input type="checkbox"/> Other (explain) _____	
If Dependent Claim, Name of Member:				Last month premium was paid for member or dependent:	
Group Policy No.:		Insurance Class (see contract)		Monthly or annual salary: \$ _____	
Occupation:				Date of last salary increase:	
Amount of insurance claimed:				Salary prior to increase: \$ _____	
Basic Life \$ _____ Dependents Life \$ _____				Usual number of hours employee worked per week:	
Additional Life \$ _____ Other (specify) \$ _____				Amount of monthly premium paid for the insured:	
Accidental Death \$ _____					
Member also had the following claims with Standard Insurance Company. (check all that apply)				Member was: (check all that apply)	
<input type="checkbox"/> Long Term Disability				<input type="checkbox"/> Full-time <input type="checkbox"/> Union <input type="checkbox"/> Hourly	
<input type="checkbox"/> Short Term Disability				<input type="checkbox"/> Part-time <input type="checkbox"/> Non-Union <input type="checkbox"/> Salaried	
<input type="checkbox"/> Waiver of Premium				<input type="checkbox"/> Commissioned <input type="checkbox"/> Active <input type="checkbox"/> Retired	

Name of Beneficiary	Social Security No.	Relation	Date of Birth	Address*	Phone

**\*If the mailing address is a PO Box, we must have a street address in addition to the PO Box mailing address.**

Remarks:

**In addition to this form, the following items are required:**

- Beneficiary Statement.
- Original enrollment forms and any subsequent beneficiary changes.
- Certified death certificate.
- For AD&D and Seat Belt Claims, newspaper clippings, police and accident reports, or other information regarding the accident.

**Acknowledgment**

I hereby certify that the answers I have made to the foregoing questions are both complete and true to the best of my knowledge and belief. I acknowledge that I have read the fraud notice on page 3 of this form.

Signature of Benefit Administrator _____	Date _____	Name of Employer or Association _____
Benefit Administrator's Name (Please print) _____		Street Address _____
(_____) _____ Phone No.		City _____ State _____ Zip Code _____

Payments paid via SSA will be sent directly to beneficiary, payments paid via check will be sent to policyholder, unless requested otherwise.

## Standard Insurance Company

Life Benefits Department  
PO Box 2800 Portland OR 97208 800.628.8600 Tel

**Life Insurance Benefits  
Claim Form Fraud Notices**

Some states require us to provide the following information to you:

**CALIFORNIA RESIDENTS**

For your protection, California law requires the following to appear on this form: Any person who knowingly presents a false or fraudulent claim for the payment of a loss is guilty of a crime and may be subject to fines and confinement in state prison.

**COLORADO RESIDENTS**

It is unlawful to knowingly provide false, incomplete or misleading facts or information to an insurance company for the purpose of defrauding or attempting to defraud the company. Penalties may include imprisonment, fines, denial of insurance, and civil damages. Any insurance company or agent of an insurance company who knowingly provides false, incomplete, or misleading facts or information to the policyholder or claimant for the purpose of defrauding or attempting to defraud the policyholder or claimant with regard to a settlement or award payable from insurance proceeds shall be reported to the Colorado division of insurance within the department of regulatory agencies.

**DISTRICT OF COLUMBIA RESIDENTS**

**WARNING:** It is a crime to provide false or misleading information to an insurer for the purpose of defrauding the insurer or any other person. Penalties include imprisonment and/or fines. In addition, an insurer may deny insurance benefits, if false information materially related to a claim was provided by the applicant.

**FLORIDA RESIDENTS**

Any person who knowingly and with intent to injure, defraud or deceive an insurance company, files a statement of claim or an application containing false, incomplete or misleading information is guilty of a felony of the third degree.

**MARYLAND AND RHODE ISLAND RESIDENTS**

Any person who knowingly and willfully presents a false or fraudulent claim for payment of a loss or benefit or who knowingly and willfully presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

**NEW JERSEY RESIDENTS**

Any person who knowingly files a statement of claim containing any false or misleading information is subject to criminal and civil penalties.

**NEW YORK RESIDENTS**

Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim, containing any materially false information, or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime, and shall also be subject to civil penalty not to exceed five thousand dollars and the stated value of the claim for each such violation.

**PENNSYLVANIA RESIDENTS**

Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information or conceals for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime and subjects such person to criminal and civil penalties.

**ALL OTHER RESIDENTS**

Some states require us to inform you that any person who knowingly and with intent to injure, defraud or deceive an insurance company, or other person, files a statement containing false or misleading information concerning any fact material hereto commits a fraudulent insurance act which is subject to civil and/or criminal penalties, depending upon the state. Such actions may be deemed a felony and substantial fines may be imposed.



## Standard Insurance Company

Life Benefits Department  
PO Box 2800 Portland OR 97208 800.628.8600 Tel

**Life Insurance Benefits  
Beneficiary Statement**

**Tax Information**

Under the Federal Income Tax law, we are required to request that you (*as the payee*) provide Standard Insurance Company (*as payor*) with your correct Social Security Number or Taxpayer Identification Number.

Please read and complete the following information in order to comply with Federal Income Tax law.

**Certification — Under Penalties Of Perjury, I Certify That:**

1. The number shown on this form is my correct Social Security/Taxpayer Identification Number (*or I am waiting for a number to be issued to me*), and
2. I am not subject to backup withholding because (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding.

**Certification Instructions** — You must cross out item (2) if you have been notified by the IRS that you are currently subject to backup withholding because of underreporting interest or dividends on your tax return.

**Method Of Payment —****Standard Secure Access**

Beneficiaries may receive their funds via Standard Secure Access (SSA) in accordance with the terms of the group policy. SSA is a convenient, interest-bearing checking account in which life insurance proceeds are deposited. With SSA, you are able to earn interest on the life insurance proceeds while taking the time to weigh important financial decisions that often follow the death of a loved one.

The Beneficiary will be mailed a checkbook, once the claim is approved. In addition, all SSA accountholders have access to 24-hour customer service via a voice response unit (VRU) and a dedicated customer service team.

If you decide to assign a portion of your benefits to a funeral home, please include a notarized assignment form (*supplied by the funeral home*) and an itemized copy of the funeral bill. A separate check for the amount of the assignment will be delivered directly to the funeral home.

**Acknowledgement**

I hereby certify that the answers I have made to the foregoing questions are both complete and true to the best of my knowledge and belief. I acknowledge that I have read the fraud notice on page 5 of this form.

Signature of Beneficiary (*please use dark ink and sign as you would a check*)

Relationship to Deceased

Name (*please print*)

Date of Birth

Social Security Number (*required*)

Mailing Address (*if this is a PO Box, a street address is required*)

City

State

Zip Code

Street Address (*only if your mailing address is a PO Box*)

City

State

Zip Code

Work Phone No.

Home Phone No.

**This Portion For Use By Standard Insurance Company Only**

Claim No.(s) \_\_\_\_\_

Policy No.(s) \_\_\_\_\_

Deposit Amount \$ \_\_\_\_\_

Division 037 Sub 107

Code 402 ☐ 403 ☐ 404 ☐ 405 ☐ 406 ☐ 407 ☐

☐ M ☐ F

Transmittal Date

Authorized Signature

Policyholder

Name of Deceased: \_\_\_\_\_

Use Only

Group Policy No.: \_\_\_\_\_

## Standard Insurance Company

Life Benefits Department  
PO Box 2800 Portland OR 97208 800.628.8600 Tel

**Life Insurance Benefits  
Beneficiary Statement Fraud Notices**

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It is unlawful to knowingly provide false, incomplete or misleading facts or information to an insurance company for the purpose of defrauding or attempting to defraud the company. Penalties may include imprisonment, fines, denial of insurance, and civil damages. Any insurance company or agent of an insurance company who knowingly provides false, incomplete, or misleading facts or information to the policyholder or claimant for the purpose of defrauding or attempting to defraud the policyholder or claimant with regard to a settlement or award payable from insurance proceeds shall be reported to the Colorado division of insurance within the department of regulatory agencies.

**DISTRICT OF COLUMBIA RESIDENTS**

**WARNING:** It is a crime to provide false or misleading information to an insurer for the purpose of defrauding the insurer or any other person. Penalties include imprisonment and/or fines. In addition, an insurer may deny insurance benefits, if false information materially related to a claim was provided by the applicant.

**FLORIDA RESIDENTS**

Any person who knowingly and with intent to injure, defraud or deceive an insurance company, files a statement of claim or an application containing false, incomplete or misleading information is guilty of a felony of the third degree.

**MARYLAND AND RHODE ISLAND RESIDENTS**

Any person who knowingly and willfully presents a false or fraudulent claim for payment of a loss or benefit or who knowingly and willfully presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

**NEW JERSEY RESIDENTS**

Any person who knowingly files a statement of claim containing any false or misleading information is subject to criminal and civil penalties.

**NEW YORK RESIDENTS**

Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim, containing any materially false information, or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime, and shall also be subject to civil penalty not to exceed five thousand dollars and the stated value of the claim for each such violation.

**PENNSYLVANIA RESIDENTS**

Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information or conceals for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime and subjects such person to criminal and civil penalties.

**ALL OTHER RESIDENTS**

Some states require us to inform you that any person who knowingly and with intent to injure, defraud or deceive an insurance company, or other person, files a statement containing false or misleading information concerning any fact material hereto commits a fraudulent insurance act which is subject to civil and/or criminal penalties, depending upon the state. Such actions may be deemed a felony and substantial fines may be imposed.

**STANDARD INSURANCE COMPANY**

A Stock Life Insurance Company  
 900 SW Fifth Avenue  
 Portland, Oregon 97204-1282  
 (503) 321-7000

**GROUP LIFE INSURANCE POLICY**

Policyholder:	Sample Life Basic Plan
Policy Number:	720125-A
Effective Date:	November 1, 2007

The consideration for this Group Policy is the application of the Policyholder and the payment by the Policyholder of premiums as provided herein.

Subject to the **Policyholder Provisions** and the **Incontestability Provisions**, this Group Policy (a) is issued for the Initial Rate Guarantee Period shown in the **Coverage Features**, and (b) may be renewed for successive renewal periods by the payment of the premium set by us on each renewal date. The length of each renewal period will be set by us, but will not be less than 12 months.

For purposes of effective dates and ending dates under this Group Policy, all days begin and end at 12:00 midnight Standard Time at the Policyholder's address.

**This policy includes an Accelerated Benefit. Death benefits will be reduced if an Accelerated Benefit is paid. The receipt of this benefit may be taxable and may affect your eligibility for Medicaid or other government benefits or entitlements. However, if you meet the definition of "terminally ill individual" according to the Internal Revenue Code Section 101, your Accelerated Benefit may be non-taxable. You should consult your personal tax and/or legal advisor before you apply for an Accelerated Benefit.**

All provisions on this and the following pages are part of this Group Policy. "You" and "your" mean the Member. "We", "us", and "our" mean Standard Insurance Company. Other defined terms appear with their initial letters capitalized. Section headings, and references to them, appear in boldface type.

STANDARD INSURANCE COMPANY

GP190-LIFE/S399

**THIS POLICY IS NOT AVAILABLE IN NEW YORK**

**This is a sample policy. Product availability, plan provisions and features may vary by state. The proposed premium rate and plan design is based on the underwriting data received by us. Final premium rates and plan provisions will be determined on the basis of: applicable state laws, Policyholder contributions, confirmation of occupations, the actual composition of the group of persons who will become insured, and our current underwriting rules and practices.**

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## COVERAGE FEATURES

This section contains many of the features of your group life insurance. Other provisions, including exclusions and limitations, appear in other sections. Please refer to the text of each section for full details. The Table of Contents and the Index of Defined Terms help locate sections and definitions.

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### GENERAL POLICY INFORMATION

Group Policy Number:	720125-A
Type of Insurance Provided:	
Life Insurance:	Yes
Supplemental Life Insurance:	Not applicable
Dependents Life Insurance:	Yes
Accidental Death And Dismemberment (AD&D) Insurance:	Yes
Policyholder:	Sample Life Basic Plan Private Group
Employer(s):	Sample Life Basic Plan Private Group
Group Policy Effective Date:	November 1, 2007
Policy Issued in:	Alaska

---

### BECOMING INSURED

To become insured for Life Insurance you must: (a) Be a Member; (b) Complete your Eligibility Waiting Period; and (c) Meet the requirements in **Life Insurance** and **Active Work Provisions**. The requirements for becoming insured for coverages other than Life Insurance are set out in the text.

Definition of Member:	<p>You are a Member if you are:</p> <ol style="list-style-type: none"> <li>1. An active employee of the Employer; and</li> <li>2. Regularly working at least 30 hours each week.</li> </ol> <p>You are not a Member if you are:</p> <ol style="list-style-type: none"> <li>1. A temporary or seasonal employee.</li> <li>2. A leased employee.</li> <li>3. An independent contractor.</li> <li>4. A full time member of the armed forces of any country.</li> </ol>
Class Definition:	None
Eligibility Waiting Period:	<p>You are eligible on one of the following dates:</p> <p>If you are a Member on the Group Policy Effective Date, you are eligible on that date.</p> <p>If you become a Member after the Group Policy Effective Date, you are eligible on the first day of the calendar month coinciding with or next following 90 consecutive days as a Member.</p>

Evidence of Insurability:

Required:

- a. For late application for Contributory Insurance.
- b. For reinstatements if required.
- c. For Members and Dependents eligible but not insured under the Prior Plan.

## PREMIUM CONTRIBUTIONS

Life Insurance:	Noncontributory
AD&D Insurance:	Noncontributory
Dependents Life Insurance:	Contributory

## SCHEDULE OF INSURANCE

## SCHEDULE OF LIFE INSURANCE

For you:

Life Insurance Benefit:	2 times your Annual Earnings, rounded to the next higher multiple of \$1,000, if not already a multiple of \$1,000. The maximum amount is \$100,000.
Repatriation Benefit:	The expenses incurred to transport your body to a mortuary near your primary place of residence, but not to exceed \$5,000 or 10% of the Life Insurance Benefit, whichever is less.

For your Spouse:

Dependents Life Insurance Benefit: \$5,000

The amount of Dependents Life Insurance for your Spouse may not exceed 100% of the amount of your Life Insurance.

For your Child:

Dependents Life Insurance Benefit: \$3,000

The amount of Dependents Life Insurance for your Child may not exceed 100% of the amount of your Life Insurance.

## SCHEDULE OF AD&amp;D INSURANCE

For you:

AD&D Insurance Benefit:	The amount of your AD&D Insurance Benefit is equal to the amount of your Life Insurance Benefit. The amount payable for certain Losses is less than 100% of the AD&D Insurance Benefit. See AD&D Table Of Losses.
Seat Belt Benefit:	The amount of the Seat Belt Benefit is the lesser of (1) \$10,000 or (2) the amount of AD&D Insurance Benefit payable for loss of life.
Air Bag Benefit:	The amount of the Air Bag Benefit is the lesser of (1) \$5,000; or (2) the amount of AD&D Insurance Benefit payable for Loss of your life.

Career Adjustment Benefit:	The tuition expenses for training incurred by your Spouse within 36 months after the date of your death, exclusive of board and room, books, fees, supplies and other expenses, but not to exceed \$5,000 per year, or the cumulative total of \$10,000 or 25% of the AD&D Insurance Benefit, whichever is less.
Child Care Benefit:	The total child care expense incurred by your Spouse within 36 months after the date of your death for all Children under age 13, but not to exceed \$5,000 per year, or the cumulative total of \$10,000 or 25% of the AD&D Insurance Benefit, whichever is less.
Higher Education Benefit:	The tuition expenses incurred per Child within 4 years after the date of your death at an accredited institution of higher education, exclusive of board and room, books, fees, supplies and other expenses, but not to exceed \$5,000 per year, or the cumulative total of \$20,000 or 25% of the AD&D Insurance Benefit, whichever is less.

#### AD&D TABLE OF LOSSES

The amount payable is a percentage of the AD&D Insurance Benefit in effect on the date of the accident and is determined by the Loss suffered as shown in the following table:

Loss:	Percentage Payable:
a. Life	100%
b. One hand, one foot or sight of one eye	50%
c. Two or more of the Losses listed in b. above	100%

**No more than 100% of your AD&D Insurance will be paid for all Losses resulting from one accident.**

#### REDUCTIONS IN INSURANCE

If you or your Spouse reaches an age shown below, the amount of insurance will be the amount determined from the Schedule Of Insurance, multiplied by the appropriate percentage below:

##### Life and AD&D Insurance:

Age of Member	Percentage
65 through 69	65%
70 through 74	50%
75 or over	35%

##### Dependents Life Insurance:

Age of Spouse	Percentage
65 through 69	65%
70 through 74	50%
75 or over	35%



---

 OTHER BENEFITS

Waiver Of Premium:	Yes
Accelerated Benefit:	Yes

---

## OTHER PROVISIONS

Limits on Right To Convert if  
Group Policy terminates  
or is amended:

Minimum Time Insured:	5 years
-----------------------	---------

Maximum Conversion Amount:	\$2,000
----------------------------	---------

Leave Of Absence Period:	60 days
--------------------------	---------

Insurance Eligible For Portability:

For you:

Life Insurance:	Yes
-----------------	-----

Minimum combined amount:	\$10,000
--------------------------	----------

Maximum combined amount:	\$300,000
--------------------------	-----------

For your Spouse:

Dependents Life Insurance:	Yes
----------------------------	-----

Minimum combined amount:	\$5,000
--------------------------	---------

Maximum combined amount:	\$100,000
--------------------------	-----------

For your Child:

Dependents Life Insurance:	Yes
----------------------------	-----

Minimum combined amount:	\$1,000
--------------------------	---------

Maximum combined amount:	\$5,000
--------------------------	---------

For you:

AD&D Insurance:	Yes
-----------------	-----

Minimum combined amount:	\$10,000
--------------------------	----------

Maximum combined amount:	\$300,000
--------------------------	-----------

Annual Earnings based on:

Partners, L.L.C. Owner-Employees, Sole Proprietors, S-Corporation Shareholders and P.C. Partners: Annual compensation during the Employer's prior tax year (or the Policyholder's prior tax year if you are a P.C. partner).

All other Members: Earnings in effect on your last full day of Active Work.

Earnings Period for Commissions  
(see **Definitions**):

The preceding 12 calendar months.

---

## PREMIUM RATES AND RENEWALS

### Premium Rates:

Life Insurance: \$.880 monthly per \$1,000 of Life Insurance

Dependents Life Insurance: \$2.880 monthly per Member electing Dependents Life Insurance, regardless of the number of Dependents covered

AD&D Insurance: \$.500 monthly per \$1,000 of AD&D Insurance

Premium Due Dates: November 1, 2007 and the first day of each calendar month thereafter.

Grace Period: 31 days

Initial Rate Guarantee Period: November 1, 2007 to November 1, 2009

Notice of Rate Change: 31 days

### Minimum Participation:

Life Insurance:

Number: 10 Insured Members

Percentage: 100% of eligible Members

Dependents Life Insurance: 100% of eligible Dependents

## LIFE INSURANCE

### A. Insuring Clause

If you die while insured for Life Insurance, we will pay benefits according to the terms of the Group Policy after we receive Proof Of Loss satisfactory to us.

### B. Amount Of Life Insurance

See the **Coverage Features** for the Life Insurance schedule.

### C. Changes In Life Insurance

#### 1. Increases

You must apply in writing for any elective increase in your Life Insurance.

Subject to the **Active Work Provisions**, an increase in your Life Insurance becomes effective as follows:

##### a. Increases Subject To Evidence Of Insurability

An increase in your Life Insurance subject to Evidence Of Insurability becomes effective on the date we approve your Evidence Of Insurability.

##### b. Increases Not Subject To Evidence Of Insurability

An increase in your Life Insurance not subject to Evidence Of Insurability becomes effective on the first day of the calendar month coinciding with or next following the date you apply for an elective increase or the date of change in your classification, age or Annual Earnings.

#### 2. Decreases

A decrease in your Life Insurance because of a change in your classification, age or Annual Earnings becomes effective on the first day of the calendar month coinciding with or next following the date of the change.

Any other decrease in your Life Insurance becomes effective on the first day of the calendar month coinciding with or next following the date the Policyholder or your Employer receives your written request for the decrease.

### D. Repatriation Benefit

The amount of the Repatriation Benefit is shown in the **Coverage Features**.

We will pay a Repatriation Benefit if all of the following requirements are met.

1. A Life Insurance Benefit is payable because of your death.
2. You die more than 200 miles from your primary place of residence.
3. Expenses are incurred to transport your body to a mortuary near your primary place of residence.

### E. When Life Insurance Becomes Effective

The **Coverage Features** states whether your Life Insurance is Contributory or Noncontributory.

Subject to the **Active Work Provisions**, your Life Insurance becomes effective as follows:

#### 1. Life Insurance subject to Evidence Of Insurability

Life Insurance subject to Evidence Of Insurability becomes effective on the date we approve your Evidence Of Insurability.

2. Life Insurance not subject to Evidence Of Insurability

a. Noncontributory Life Insurance

Noncontributory Life Insurance not subject to Evidence Of Insurability becomes effective on the date you become eligible.

b. Contributory Life Insurance

You must apply in writing for Contributory Life Insurance and agree to pay premiums. Contributory Life Insurance not subject to Evidence Of Insurability becomes effective on:

- (i) The date you become eligible if you apply on or before that date.
- (ii) The date you apply if you apply within 31 days after you become eligible.

Late application: Evidence Of Insurability is required if you apply more than 31 days after you become eligible.

3. Takeover Provision

- a. If you were insured under the Prior Plan on the day before the effective date of your Employer's coverage under the Group Policy, your Eligibility Waiting Period is waived on the effective date of your Employer's coverage under the Group Policy.
- b. You must submit satisfactory Evidence Of Insurability to become insured for Life Insurance if you were eligible under the Prior Plan for more than 31 days but were not insured.

F. When Life Insurance Ends

Life Insurance ends automatically on the earliest of:

- 1. The date the last period ends for which a premium was paid for your Life Insurance;
- 2. The date the Group Policy terminates;
- 3. The date your employment terminates; and
- 4. The date you cease to be a Member. However, if you cease to be a Member because you are working less than the required minimum number of hours, your Life Insurance will be continued with premium payment during the following periods, unless it ends under 1 through 3 above.
  - a. While your Employer is paying you at least the same Annual Earnings paid to you immediately before you ceased to be a Member.
  - b. While your ability to work is limited because of Sickness, Injury, or Pregnancy.
  - c. During the first 60 days of:
    - (1) A temporary layoff; or
    - (2) A strike, lockout, or other general work stoppage caused by a labor dispute between your collective bargaining unit and your Employer.
  - d. During a leave of absence if continuation of your insurance under the Group Policy is required by a state-mandated family or medical leave act or law.
  - e. During any other scheduled leave of absence approved by your Employer in advance and in writing and lasting not more than the period shown in the **Coverage Features**.

G. Reinstatement Of Life Insurance

If your Life Insurance ends, you may become insured again as a new Member. However, 1 through 4 below will apply.

- 1. If your Life Insurance ends because you cease to be a Member, and if you become a Member

again within 90 days, the Eligibility Waiting Period will be waived.

2. If your Life Insurance ends because you fail to make a required premium contribution, you must provide Evidence Of Insurability to become insured again.
3. If you exercised your Right To Convert, you must provide Evidence Of Insurability to become insured again.
4. If your Life Insurance ends because you are on a federal or state-mandated family or medical leave of absence, and you become a Member again immediately following the period allowed, your insurance will be reinstated pursuant to the federal or state-mandated family or medical leave act or law.

(REPAT) LLLF.OT.3

## DEPENDENTS LIFE INSURANCE

### A. Insuring Clause

If your Dependent dies while insured for Dependents Life Insurance, we will pay benefits according to the terms of the Group Policy after we receive Proof Of Loss satisfactory to us.

### B. Amount Of Dependents Life Insurance

See the **Coverage Features** for the amount of your Dependents Life Insurance.

### C. Changes In Dependents Life Insurance

#### 1. Increases

You must apply in writing for any elective increase in your Dependents Life Insurance.

Subject to the **Active Work Provisions**, an increase in your Dependents Life Insurance becomes effective as follows:

##### a. Increases Subject To Evidence Of Insurability

An increase in your Dependents Life Insurance subject to Evidence Of Insurability becomes effective on the date we approve that Dependent's Evidence Of Insurability.

##### b. Increases Not Subject To Evidence Of Insurability

An increase in your Dependents Life Insurance not subject to Evidence Of Insurability becomes effective on the first day of the calendar month coinciding with or next following the date you apply for an elective increase.

An increase in your Dependents Life Insurance because of an increase in your Life Insurance becomes effective on the date your Life Insurance increases.

#### 2. Decreases

A decrease in your Dependents Life Insurance because of a decrease in your Life Insurance becomes effective on the date your Life Insurance decreases.

### D. Definitions For Dependents Life Insurance

Dependent means your Spouse or Child. Dependent does not include a person who is a full-time member of the armed forces of any country.

## E. Becoming Insured For Dependents Life Insurance

## 1. Eligibility

You become eligible to insure your Dependents on the later of:

- a. The date you become eligible for Life Insurance; and
- b. The date you first acquire a Dependent.

A Member may not be insured as both a Member and a Dependent. A Child may not be insured by more than one Member.

## 2. Effective Date

The **Coverage Features** states whether your Dependents Life Insurance is Contributory or Noncontributory. Subject to the **Active Work Provisions**, your Dependents Life Insurance becomes effective as follows:

## a. Dependents Life Insurance Subject To Evidence Of Insurability

Dependents Life Insurance subject to Evidence Of Insurability becomes effective on the later of:

1. The date your Life Insurance becomes effective; and
2. The first day of the calendar month coinciding with or next following the date we approve the Dependent's Evidence Of Insurability.

## b. Dependents Life Insurance Not Subject To Evidence Of Insurability

## 1. Noncontributory Dependents Life Insurance

Noncontributory Dependents Life Insurance not subject to Evidence Of Insurability becomes effective on the later of:

- i. The date your Life Insurance becomes effective; and
- ii. The date you first acquire a Dependent.

## 2. Contributory Dependents Life Insurance

You must apply in writing for Contributory Dependents Life Insurance and agree to pay premiums. Contributory Dependents Life Insurance not subject to Evidence Of Insurability becomes effective on the latest of:

- i. The date your Life Insurance becomes effective if you apply on or before that date;
- ii. The date you become eligible to insure your Dependents if you apply on or before that date; and
- iii. The date you apply if you apply within 31 days after you become eligible.

Late Application: Evidence Of Insurability is required for each Dependent if you apply more than 31 days after you become eligible.

## c. While your Dependents Life Insurance is in effect, each new Child becomes insured immediately.

## d. Takeover Provision

Each Dependent who was eligible under the Prior Plan for more than 31 days but was not insured must submit satisfactory Evidence Of Insurability to become insured for Dependents Life Insurance.

## F. When Dependents Life Insurance Ends

Dependents Life Insurance ends automatically on the earliest of:

1. Five months after you die (no premiums will be charged for your Dependents Life Insurance during this time);
2. The date your Life Insurance ends;
3. The date the Group Policy terminates, or the date Dependents Life Insurance terminates under the Group Policy;
4. The date the last period ends for which you made a premium contribution, if your Dependents Life Insurance is Contributory;
5. For your Spouse, the date of your divorce;
6. For any Dependent, the date the Dependent ceases to be a Dependent; and
7. For a Child who is Disabled, 90 days after we mail you a request for proof of Disability, if proof is not given.

(SP & CH) LLDL.OT.4

## ACCIDENTAL DEATH AND DISMEMBERMENT INSURANCE

## A. Insuring Clause

If you have an accident, while insured for AD&D Insurance, and the accident results in a Loss, we will pay benefits according to the terms of the Group Policy after we receive Proof Of Loss satisfactory to us.

## B. Definition Of Loss For AD&amp;D Insurance

Loss means loss of life, hand, foot, or sight which meet all of the following requirements:

1. Is caused solely and directly by an accident.
2. Occurs independently of all other causes.
3. With respect to Loss of life, is evidenced by a certified copy of the death certificate.
4. With respect to all other Losses, occurs within 365 days after the accident and is certified by a Physician in the appropriate specialty as determined by us.

With respect to a hand or foot, Loss means actual and permanent severance from the body at or above the wrist or ankle joint.

With respect to sight, Loss means entire, uncorrectable, and irrecoverable loss of sight.

## C. Amount Payable

See **Coverage Features** for the AD&D Insurance schedule. The amount payable is a percentage of the AD&D Insurance Benefit in effect on the date of the accident and is determined by the Loss suffered. See AD&D Table Of Losses in the **Coverage Features**.

## D. Changes In AD&amp;D Insurance

Changes in your AD&D Insurance will become effective on the date your Life Insurance changes.

## E. AD&amp;D Insurance Exclusions

No AD&D Insurance benefit is payable if the accident or Loss is caused or contributed to by any of the following:

1. War or act of War. War means declared or undeclared war, whether civil or international, and

any substantial armed conflict between organized forces of a military nature.

2. Suicide or other intentionally self-inflicted Injury, while sane or insane.
3. Committing or attempting to commit an assault or felony, or actively participating in a violent disorder or riot. Actively participating does not include being at the scene of a violent disorder or riot while performing your official duties.
4. The voluntary use or consumption of any poison, chemical compound, alcohol or drug, unless used or consumed according to the directions of a Physician.
5. Sickness or Pregnancy existing at the time of the accident.
6. Heart attack or stroke.
7. Medical or surgical treatment for any of the above.

#### F. Additional AD&D Benefits

##### Seat Belt Benefit

The amount of the Seat Belt Benefit is shown in the **Coverage Features**.

We will pay a Seat Belt Benefit if all of the following requirements are met:

1. You die as a result of an Automobile accident for which an AD&D Insurance Benefit is payable for Loss of your Life; and
2. You are wearing and properly utilizing a Seat Belt System at the time of the accident, as evidenced by a police accident report.

Seat Belt System means a properly installed combination lap and shoulder restraint system that meets the Federal Vehicle Safety Standards of the National Highway Traffic Safety Administration. Seat Belt System will include a lap belt alone, but only if the Automobile did not have a combination lap and shoulder restraint system when manufactured. Seat Belt System does not include a shoulder restraint alone.

Automobile means a motor vehicle licensed for use on public highways.

##### Air Bag Benefit

The amount of the Air Bag Benefit is shown in the **Coverage Features**.

We will pay an Air Bag Benefit if all of the following requirements are met:

1. You die as a result of an Automobile accident for which a Seat Belt Benefit is payable for Loss of your life.
2. The Automobile is equipped with an Air Bag System that was installed as original equipment by the Automobile manufacturer and has received regular maintenance or scheduled replacement as recommended by the Automobile or Air Bag manufacturer.
3. You are seated in the driver's or a passenger's seating position intended to be protected by the Air Bag System and the Air Bag System deploys, as evidenced by a police accident report.

Air Bag System means an automatically inflatable passive restraint system that is designed to provide automatic crash protection in front or side impact Automobile accidents and meets the Federal Vehicle Safety Standards of the National Highway Traffic Safety Administration.

Automobile means a motor vehicle licensed for use on public highways.

##### Career Adjustment Benefit

The amount of the Career Adjustment Benefit is shown in the **Coverage Features**.



We will pay a Career Adjustment Benefit to your Spouse if all of the following requirements are met:

1. You are insured for AD&D Insurance under the Group Policy.
2. You die as a result of an accident for which an AD&D Insurance Benefit is payable for Loss of your life.
3. Your Spouse is, within 36 months after the date of your death, registered and in attendance at an accredited institution of higher education or trades training program for the purpose of obtaining employment or increasing earnings.

No Career Adjustment Benefit will be paid if you have no surviving Spouse.

#### Child Care Benefit

The amount of the Child Care Benefit is shown in the **Coverage Features**.

We will pay a Child Care Benefit to your Spouse if all of the following requirements are met:

1. You are insured for AD&D Insurance under the Group Policy.
2. You die as a result of an accident for which an AD&D Insurance Benefit is payable for Loss of your life.
3. Your Spouse pays a licensed child care provider who is not a member of your family for child care provided to your Child(ren) under age 13 within 36 months of your death.
4. The child care is necessary in order for your Spouse to work or to obtain training for work or to increase earnings.

No Child Care Benefit will be paid if you have no surviving Spouse.

#### Higher Education Benefit

The amount of the Higher Education Benefit is shown in the **Coverage Features**.

We will pay a Higher Education Benefit to your Child if all of the following requirements are met:

1. You are insured for AD&D Insurance under the Group Policy.
2. You die as a result of an accident for which an AD&D Insurance Benefit is payable for Loss of your life.
3. Your Child is, within 12 months after the date of your death, registered and in full-time attendance at an accredited institution of higher education beyond high school.

The Higher Education Benefit will be paid to each Child who meets the requirements of item 3 above, for a maximum of 4 consecutive years beginning on the date of your death. No Higher Education Benefit will be paid if there is no Child eligible to receive it.

#### G. Becoming Insured For AD&D Insurance

##### 1. Eligibility

You become eligible for AD&D Insurance on the date your Life Insurance is effective.

##### 2. Effective Date

The **Coverage Features** states whether AD&D Insurance is Contributory or Noncontributory. Subject to the **Active Work Provisions**, AD&D Insurance becomes effective as follows:

##### a. Noncontributory AD&D Insurance

Noncontributory AD&D Insurance becomes effective on the date you become eligible.

## b. Contributory AD&amp;D Insurance

You must apply in writing for Contributory AD&D Insurance and agree to pay premiums. Contributory AD&D Insurance becomes effective on the later of:

- (i) The date you become eligible if you apply on or before that date.
- (ii) The first day of the calendar month coinciding with or next following the date you apply, if you apply after you become eligible.

## H. When AD&amp;D Insurance Ends

AD&D Insurance ends automatically on the earlier of:

- 1. The date your Life Insurance ends.
- 2. The date your Waiver Of Premium begins.
- 3. The date AD&D Insurance terminates under the Group Policy.
- 4. The date the last period ends for which a premium was paid for your AD&D Insurance.

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### ACTIVE WORK PROVISIONS

If you are incapable of Active Work because of Sickness, Injury or Pregnancy on the day before the scheduled effective date of your insurance or an increase in your insurance, your insurance or increase will not become effective until the day after you complete one full day of Active Work as an eligible Member.

Active Work and Actively At Work mean performing the material duties of your own occupation at your Employer's usual place of business. You will also meet the Active Work requirement if:

- 1. You were absent from Active Work because of a regularly scheduled day off, holiday, or vacation day;
- 2. You were Actively At Work on your last scheduled work day before the date of your absence; and
- 3. You were capable of Active Work on the day before the scheduled effective date of your insurance or increase in your insurance.

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### PORTABILITY OF INSURANCE

## A. Portability Of Insurance

If your insurance under the Group Policy ends because your employment with your Employer terminates, you may be eligible to buy portable group insurance coverage as shown in the **Coverage Features** for yourself and your Dependents without submitting Evidence Of Insurability. To be eligible you must satisfy the following requirements:

- 1. On the date your employment terminates, you must be able to perform with reasonable continuity the material duties of at least one gainful occupation for which you are reasonably fitted by education, training and experience.

(If you are unable to meet this requirement, see the **Right To Convert** and **Waiver Of Premium** provisions for other options that may be available to you under the Group Policy.)

- 2. On the date your employment terminates, you are under age 65.

3. On the date your employment terminates, you must have been continuously insured under the Group Policy for at least 12 consecutive months. In computing the 12 consecutive month period, we will include time insured under the Prior Plan.
4. You must apply in writing and pay the first premium directly to us at our Home Office within 31 days after the date your employment terminates. You must purchase portable group life insurance coverage for yourself in order to purchase any other insurance eligible for portability.

This portable group insurance will be provided under a master Group Life Portability Insurance Policy we have issued to the Standard Insurance Company Group Insurance Trust. If approved, the certificate you will receive will be governed under the terms of the Group Life Portability Insurance Policy and will contain provisions that differ from your Employer's coverage under the Group Policy.

#### B. Amount Of Portable Insurance

The minimum and maximum amounts that you are eligible to buy under the Group Life Portability Insurance Policy are shown in the **Coverage Features**. You may buy less than the maximum amounts in increments of \$1,000.

The combined amounts of insurance purchased under this **Portability Of Insurance** provision and the **Right To Convert** provision cannot exceed the amount in effect under the Group Policy on the day before your employment terminates.

#### C. When Portable Insurance Becomes Effective

Portable group insurance will become effective the day after your employment with your Employer terminates, if you apply within 31 days after the date your employment terminates.

If death occurs within 31 days after the date insurance ends under the Group Policy, life insurance benefits, if any, will be paid according to the terms of the Group Policy in effect on the date your employment terminates and not the terms of the Group Life Portability Insurance Policy. AD&D benefits, if any, will be paid according to the terms of the Group Policy or the Group Life Portability Insurance Policy, but not both. In no event will the benefits paid exceed the amount in effect under the Group Policy on the day before your employment terminates.

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### WAIVER OF PREMIUM

#### A. Waiver Of Premium Benefit

Insurance will be continued without payment of premiums while you are Totally Disabled if:

1. You become Totally Disabled while insured under the Group Policy and under age 60;
2. You complete your Waiting Period; and
3. You give us satisfactory Proof Of Loss.

We may have you examined at our expense at reasonable intervals. Any such examination will be conducted by specialists of our choice.

#### B. Definitions For Waiver Of Premium

1. Insurance means all your insurance under the Group Policy, except AD&D Insurance.
2. Totally Disabled means that, as a result of Sickness, accidental Injury, or Pregnancy, you are unable to perform with reasonable continuity the material duties of any gainful occupation for which you are reasonably fitted by education, training and experience.

3. Waiting Period means the 180 consecutive day period beginning on the date you become Totally Disabled. Waiver Of Premium begins when you complete the Waiting Period.

C. Premium Payment

Premium payment must continue until the later of:

1. The date you complete your Waiting Period; and
2. The date we approve your claim for Waiver Of Premium.

D. Refund Of Premiums

We will refund up to 12 months of the premiums that were paid for Insurance after the date you become Totally Disabled.

E. Amount Of Insurance

The amount of Insurance eligible for Waiver Of Premium is the amount in effect on the day before you become Totally Disabled. However, the following will apply:

1. Insurance will be reduced or terminated according to the Group Policy provisions in effect on the day before you become Totally Disabled.
2. If you become insured under a group life insurance plan that replaces the Group Policy while you are eligible for Waiver Of Premium, any death benefit payable under the Group Policy will be reduced by the amount payable under the replacement group life insurance plan.
3. If you receive an Accelerated Benefit, Insurance will be reduced according to the **Accelerated Benefit** provision.
4. The amount of Supplemental Life Insurance on your Spouse will be the lesser of:
  - a. The amount in effect on the day before you become Totally Disabled; and
  - b. The amount in effect one year before the date you become Totally Disabled.

F. Effect Of Death During The Waiting Period

If you die during the Waiting Period and are otherwise eligible for Waiver Of Premium, the Waiting Period will be waived.

G. Termination Or Amendment Of The Group Policy

Insurance will not be affected by termination or amendment of the Group Policy after you become Totally Disabled.

H. When Waiver Of Premium Ends

Waiver Of Premium ends on the earliest of:

1. The date you cease to be Totally Disabled;
2. 90 days after the date we mail you a request for additional Proof Of Loss, if it is not given;
3. The date you fail to attend an examination or cooperate with the examiner;
4. With respect to the amount of Insurance which an insured has converted, the effective date of the individual life insurance policy issued to the insured; and
5. The date you reach age 65.

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## ACCELERATED BENEFIT

### A. Accelerated Benefit

If you qualify for Waiver Of Premium and give us satisfactory proof of having a Qualifying Medical Condition while you are insured under the Group Policy, you may have the right to receive during your lifetime a portion of your Insurance as an Accelerated Benefit. You must have at least \$10,000 of Insurance in effect to be eligible.

If your Insurance is scheduled to end within 24 months following the date you apply for the Accelerated Benefit, you will not be eligible for the Accelerated Benefit.

Qualifying Medical Condition means you are terminally ill as a result of an illness or physical condition which is reasonably expected to result in death within 12 months.

We may have you examined at our expense in connection with your claim for an Accelerated Benefit. Any such examination will be conducted by one or more Physicians of our choice.

### B. Application For Accelerated Benefit

You must apply for an Accelerated Benefit. To apply you must give us satisfactory Proof Of Loss on our forms. Proof Of Loss must include a statement from a Physician that you have a Qualifying Medical Condition.

### C. Amount Of Accelerated Benefit

You may receive an Accelerated Benefit of up to 75% of your Insurance. The maximum Accelerated Benefit is \$500,000. The minimum Accelerated Benefit is \$5,000 or 10% of your Insurance, whichever is greater.

If the amount of your Insurance is scheduled to reduce within 24 months following the date you apply for the Accelerated Benefit, your Accelerated Benefit will be based on the reduced amount.

The Accelerated Benefit will be paid to you once in your lifetime in a lump sum. If you recover from your Qualifying Medical Condition after receiving an Accelerated Benefit, we will not ask you for a refund.

### D. Effect On Insurance And Other Benefits

For any purpose other than premium payment, the amount of your Insurance after payment of the Accelerated Benefit will be the greater of the amounts in (1) and (2) below; however, if you assign your rights under the Group Policy, the amount of your Insurance will be the amount in (2) below.

(1) 10% of the amount of your Insurance as if no Accelerated Benefit had been paid; or

(2) The amount of your Insurance as if no Accelerated Benefit had been paid; minus

The amount of the Accelerated Benefit; minus

An interest charge calculated as follows:

$A \text{ times } B \text{ times } C \text{ divided by } 365 = \text{interest charge.}$

A = The amount of the Accelerated Benefit.

B = The monthly average of our variable policy loan interest rate.

C = The number of days from payment of the Accelerated Benefit to the earlier of (1) the date you die, and (2) the date you have a Right To Convert.

The amount of your AD&D Insurance, if any, is not affected by payment of the Accelerated Benefit. AD&D is not continued under Waiver Of Premium.

Note: If you assign your rights under the Group Policy, the amount of your Insurance after payment of the Accelerated Benefit will be the amount in (2) above.

## E. Exclusions

No Accelerated Benefit will be paid if:

1. All or part of your Insurance must be paid to your Child(ren), or your Spouse or former Spouse as part of a court approved divorce decree, separate maintenance agreement, or property settlement agreement.
2. You are married and live in a community property state unless you give us a signed written consent from your Spouse.
3. You have made an assignment of all or part of your Insurance unless you give us a signed written consent from the assignee.
4. You have filed for bankruptcy, unless you give us written approval from the Bankruptcy Court for payment of the Accelerated Benefit.
5. You are required by a government agency to use the Accelerated Benefit to apply for, receive, or continue a government benefit or entitlement.
6. You have previously received an Accelerated Benefit under the Group Policy.

## F. Definitions For Accelerated Benefit

Insurance means your Life Insurance Benefit and Supplemental Life Insurance Benefit, if any, under the Group Policy.

LIAB.OT.5

## RIGHT TO CONVERT

## A. Right To Convert

You may buy an individual policy of life insurance without Evidence Of Insurability if:

1. Your Insurance ends or is reduced due to a Qualifying Event; and
2. You apply in writing and pay us the first premium during the Conversion Period.

Except as limited under C. Limits On Right To Convert, the maximum amount you have a Right To Convert is the amount of your Insurance which ended.

## B. Definitions For Right To Convert

1. Conversion Period means the 31-day period after the date of any Qualifying Event.
2. Insurance means all your insurance under the Group Policy, including insurance continued under Waiver Of Premium, but excluding AD&D Insurance.
3. Qualifying Event means termination or reduction of your Insurance for any reason except:
  - a. The Member's failure to make a required premium contribution.
  - b. Payment of an Accelerated Benefit.
4. You and your mean any person insured under the Group Policy.

## C. Limits On Right To Convert

If your Insurance ends or is reduced because of termination or amendment of the Group Policy, 1 and 2 below will apply.

1. You may not convert Insurance which has been in effect for less than the Minimum Time Insured. See **Coverage Features**.

2. The maximum amount you have a Right To Convert is the lesser of:
  - a. The amount of your Insurance which ended, minus any other group life insurance for which you become eligible during the Conversion Period; and
  - b. The Maximum Conversion Amount. See **Coverage Features**.

**D. The Individual Policy**

You may select any form of individual life insurance policy we issue to persons of your age, except:

1. A term insurance policy;
2. A universal life policy;
3. A policy with disability, accidental death, or other additional benefits; or
4. A policy in an amount less than the minimum amount we issue for the form of life insurance you select.

The individual policy of life insurance will become effective on the day after the end of the Conversion Period. We will use our published rates for standard risks to determine the premium.

**E. Death During The Conversion Period**

If you die during the Conversion Period, we will pay a death benefit equal to the maximum amount you had a Right To Convert, whether or not you applied for an individual policy. The benefit will be paid according to the **Benefit Payment And Beneficiary Provisions**.

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## CLAIMS

**A. Filing A Claim**

Claims should be filed on our forms. If we do not provide our forms within 15 days after they are requested, the claim may be submitted in a letter to us.

**B. Time Limits On Filing Proof Of Loss**

Proof Of Loss must be provided within 90 days after the date of the loss. If that is not possible, it must be provided as soon as reasonably possible, but not later than one year after that 90-day period.

Proof Of Loss for Waiver Of Premium must be provided within 12 months after the end of the Waiting Period. We will require further Proof Of Loss at reasonable intervals, but not more often than once a year after you have been continuously Totally Disabled for two years.

If Proof Of Loss is filed outside these time limits, the claim will be denied. These limits will not apply while the Member or Beneficiary lacks legal capacity.

**C. Proof Of Loss**

Proof Of Loss means written proof that a loss occurred:

1. For which the Group Policy provides benefits;
2. Which is not subject to any exclusions; and
3. Which meets all other conditions for benefits.

Proof Of Loss includes any other information we may reasonably require in support of a claim. Proof Of Loss must be in writing and must be provided at the expense of the claimant. No benefits will be provided until we receive Proof Of Loss satisfactory to us.

**D. Investigation Of Claim**

We may have you examined at our expense at reasonable intervals. Any such examination will be conducted by specialists of our choice.

We may have an autopsy performed at our expense, except where prohibited by law.

**E. Time Of Payment**

We will pay benefits within 60 days after Proof Of Loss is satisfied.

**F. Notice Of Decision On Claim**

We will evaluate a claim for benefits promptly after we receive it. With respect to all claims except Waiver Of Premium claims (or other benefits based on disability), within 90 days after we receive the claim we will send the claimant: (a) a written decision on the claim; or (b) a notice that we are extending the period to decide the claim for an additional 90 days.

With respect to Waiver Of Premium claims (or other benefits based on disability), within 45 days after we receive the claim we will send the claimant: (a) a written decision on the claim; or (b) a notice that we are extending the period to decide the claim for 30 days. Before the end of this extension period we will send the claimant: (a) a written decision on the Waiver Of Premium claim (or other benefits based on disability); or (b) a notice that we are extending the period to decide the claim for an additional 30 days. If an extension is due to the claimant's failure to provide information necessary to decide the Waiver Of Premium claim (or other benefits based on disability), the extended time period for deciding the claim will not begin until the claimant provides the information or otherwise responds.

If we extend the period to decide the claim, we will notify the claimant of the following: (a) the reasons for the extension; (b) when we expect to decide the claim; (c) an explanation of the standards on which entitlement to benefits is based; (d) the unresolved issues preventing a decision; and (e) any additional information we need to resolve those issues.

If we request additional information, the claimant will have 45 days to provide the information. If the claimant does not provide the requested information within 45 days, we may decide the claim based on the information we have received.

If we deny any part of the claim, we will send the claimant a written notice of denial containing:

1. The reasons for our decision.
2. Reference to the parts of the Group Policy on which our decision is based.
3. Reference to any internal rule or guideline relied upon in deciding a Waiver Of Premium claim (or other benefits based on disability).
4. A description of any additional information needed to support the claim.
5. Information concerning the claimant's right to a review of our decision.
6. Information concerning the right to bring a civil action for benefits under section 502(a) of ERISA if the claim is denied on review.

**G. Review Procedure**

If all or part of a claim is denied, the claimant may request a review. The claimant must request a review in writing:

1. Within 180 days after receiving notice of the denial of a claim for Waiver Of Premium (or other benefits based on disability);
2. Within 60 days after receiving notice of the denial of any other claim.

The claimant may send us written comments or other items to support the claim. The claimant may review and receive copies of any non-privileged information that is relevant to the request for



review. There will be no charge for such copies. Our review will include any written comments or other items the claimant submits to support the claim.

We will review the claim promptly after we receive the request. With respect to all claims except Waiver Of Premium claims (or other benefits based on disability), within 60 days after we receive the request for review we will send the claimant: (a) a written decision on review; or (b) a notice that we are extending the review period for 60 days.

With respect to Waiver Of Premium claims (or other benefits based on disability), within 45 days after we receive the request for review we will send the claimant: (a) a written decision on review; or (b) a notice that we are extending the review period for 45 days.

If an extension is due to the claimant's failure to provide information necessary to decide the claim on review, the extended time period for review of the claim will not begin until the claimant provides the information or otherwise responds.

If we extend the review period, we will notify the claimant of the following: (a) the reasons for the extension; (b) when we expect to decide the claim on review; and (c) any additional information we need to decide the claim.

If we request additional information, the claimant will have 45 days to provide the information. If the claimant does not provide the requested information within 45 days, we may conclude our review of the claim based on the information we have received.

With respect to Waiver Of Premium claims (or other benefits based on disability), the person conducting the review will be someone other than the person who denied the claim and will not be subordinate to that person. The person conducting the review will not give deference to the initial denial decision. If the denial was based on a medical judgement, the person conducting the review will consult with a qualified health care professional. This health care professional will be someone other than the person who made the original medical judgement and will not be subordinate to that person. The claimant may request the names of medical or vocational experts who provided advice to us about a claim for Waiver Of Premium (or other benefits based on disability).

If we deny any part of the claim on review, the claimant will receive a written notice of denial containing:

1. The reasons for our decision.
2. Reference to the parts of the Group Policy on which our decision is based.
3. Reference to any internal rule or guideline relied upon in deciding a Waiver Of Premium claim (or other benefits based on disability).
4. Information concerning the claimant's right to receive, free of charge, copies of non-privileged documents and records relevant to the claim.
5. Information concerning the right to bring a civil action for benefits under section 502(a) of ERISA.

The Group Policy does not provide voluntary alternative dispute resolution options. However, you may contact your local U.S. Department of Labor Office and your State insurance regulatory agency for assistance.

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## **ASSIGNMENT**

The rights and benefits under the Group Policy cannot be assigned.

LI.AS.OT.1

## BENEFIT PAYMENT AND BENEFICIARY PROVISIONS

### A. Payment Of Benefits

1. Except as provided in item 6 below, benefits payable because of your death will be paid to the Beneficiary you name. See B through E of this section.
2. AD&D Insurance benefits payable for Losses other than Loss of Life will be paid to the person who suffers the Loss for which benefits are payable. Any such benefits remaining unpaid at that person's death will be paid according to the provisions for payment of a death benefit.
3. The benefits below will be paid to you if you are living.
  - a. AD&D Insurance benefits payable because of the death of your Dependent.
  - b. Dependents Life Insurance benefits.
  - c. Supplemental Life Insurance benefits payable because of the death of your Spouse.
  - d. Accelerated Benefits.
4. Dependents Life Insurance benefits and AD&D Insurance benefits payable because of the death of your Dependent which are unpaid at your death will be paid in equal shares to the first surviving class of the classes below.
  - a. The children of the Dependent.
  - b. The parents of the Dependent.
  - c. The brothers and sisters of the Dependent.
  - d. Your estate.
5. Supplemental Life Insurance benefits payable because of the death of your Spouse which are unpaid at your death will be paid in equal shares to the first surviving class of the classes below.
  - a. The children of your Spouse.
  - b. The parents of your Spouse.
  - c. The brothers and sisters of your Spouse.
  - d. Your estate.
6. Additional Benefits will be paid as follows:
 

The Child Care Benefit will be paid to your surviving Spouse. No Child Care Benefit will be paid if you have no Spouse.

The Career Adjustment Benefit will be paid to your Spouse. No Career Adjustment Benefit will be paid if you have no Spouse.

The Higher Education Benefit will be paid to each eligible Child. No Higher Education Benefit will be paid if there is no Child eligible to receive it.

The Repatriation Benefit will be paid to the person who incurs the transportation expenses.

### B. Naming A Beneficiary

Beneficiary means a person you name to receive death benefits. You may name one or more Beneficiaries.

If you name two or more Beneficiaries in a class:

1. Two or more surviving Beneficiaries will share equally, unless you provide for unequal shares.

2. If you provide for unequal shares in a class, and two or more Beneficiaries in that class survive, we will pay each surviving Beneficiary his or her designated share. Unless you provide otherwise, we will then pay the share(s) otherwise due to any deceased Beneficiary(ies) to the surviving Beneficiaries pro rata based on the relationship that the designated percentage or fractional share of each surviving Beneficiary bears to the total shares of all surviving Beneficiaries.
3. If only one Beneficiary in a class survives, we will pay the total death benefits to that Beneficiary.

You may name or change Beneficiaries at any time without the consent of a Beneficiary.

Your Beneficiary designation must be the same for Life Insurance and AD&D Insurance death benefits. Your Beneficiary designations for Life Insurance and your Supplemental Life Insurance may be different.

You must name or change Beneficiary in writing. Writing includes a form signed by you or a verification from the Policyholder or Employer of an electronic or telephonic designation made by you.

Your designation:

1. Must be dated;
2. Must be delivered to the Policyholder or Employer during your lifetime;
3. Must relate to the insurance provided under the Group Policy; and
4. Will take effect on the date it is delivered to the Policyholder or Employer.

If we approve it, a designation, which meets the requirements of a Prior Plan will be accepted as your Beneficiary designation under the Group Policy.

#### C. Simultaneous Death Provision

If a Beneficiary or a person in one of the classes listed in item D. No Surviving Beneficiary dies on the same day you die, or within 15 days thereafter, benefits will be paid as if that Beneficiary or person had died before you, unless Proof Of Loss with respect to your death is delivered to us before the date of the Beneficiary's death.

#### D. No Surviving Beneficiary

If you do not name a Beneficiary, or if you are not survived by one, benefits will be paid in equal shares to the first surviving class of the classes below.

1. Your Spouse. (See **Definitions**)
2. Your children.
3. Your parents.
4. Your brothers and sisters.
5. Your estate.

#### E. Methods Of Payment

Recipient means a person who is entitled to benefits under this **Benefit Payment and Beneficiary Provisions** section.

1. Lump Sum

If the amount payable to a Recipient is less than \$25,000, we will pay it in a lump sum.

2. Standard Secure Access Checking Account

If the amount payable to a Recipient is \$25,000, or more, we will deposit it into a Standard Secure Access checking account which:

- a. Bears interest;
- b. Is owned by the Recipient;
- c. Is subject to the terms and conditions of a confirmation certificate which will be given to the Recipient; and
- d. Is fully guaranteed by us.

3. Installments

Payment to a Recipient may be made in installments if:

- a. The amount payable is \$25,000 or more;
- b. The Recipient chooses; and
- c. We agree.

To the extent permitted by law, the amount payable to the Recipient will not be subject to any legal process or to the claims of any creditor or creditor's representative.

(FB\_REPAT\_ELECT/TEL DESIG\_WITH DEF SP\_25K SSA LUMP INSTALL\_SPOUSE DEF TERM) LI.BB.OT.6

### ALLOCATION OF AUTHORITY

Except for those functions which the Group Policy specifically reserves to the Policyholder, we have full and exclusive authority to control and manage the Group Policy, to administer claims, and to interpret the Group Policy and resolve all questions arising in the administration, interpretation, and application of the Group Policy.

Our authority includes, but is not limited to:

- 1. The right to resolve all matters when a review has been requested;
- 2. The right to establish and enforce rules and procedures for the administration of the Group Policy and any claim under it;
- 3. The right to determine:
  - a. Eligibility for insurance;
  - b. Entitlement to benefits;
  - c. Amount of benefits payable;
  - d. Sufficiency and the amount of information we may reasonably require to determine a., b., or c., above.

Subject to the review procedures of the Group Policy any decision we make in the exercise of our authority is conclusive and binding.

LI.AL.OT.1

### **TIME LIMITS ON LEGAL ACTIONS**

No action at law or in equity may be brought until 60 days after we have been given Proof Of Loss. No such action may be brought more than three years after the earlier of:

1. The date we receive Proof Of Loss; and
2. The time within which Proof Of Loss is required to be given.

**LLTL.OT.1**

### **INCONTESTABILITY PROVISIONS**

#### **A. Incontestability Of Insurance**

Any statement made to obtain or to increase insurance is a representation and not a warranty.

No misrepresentation will be used to reduce or deny a claim unless:

1. The insurance would not have been approved if we had known the truth; and
2. We have given you or any other person claiming benefits a copy of the signed written instrument which contains the misrepresentation.

We will not use a misrepresentation to reduce or deny a claim after the insured's insurance has been in effect for two years during the lifetime of the insured.

#### **B. Incontestability Of Group Policy**

Any statement made by the Policyholder or Employer to obtain the Group Policy is a representation and not a warranty.

No misrepresentation by the Policyholder or Employer will be used to deny a claim or to deny the validity of the Group Policy unless:

1. The Group Policy would not have been issued if we had known the truth; and
2. We have given the Policyholder or Employer a copy of a written instrument signed by the Policyholder or Employer which contains the misrepresentation.

The validity of the Group Policy will not be contested after it has been in force for two years, except for nonpayment of premiums.

**LLIN.OT.2**

### **CLERICAL ERROR AND MISSTATEMENT**

#### **A. Clerical Error**

Clerical error by the Policyholder, your Employer, or their respective employees or representatives will not:

1. Cause a person to become insured;
2. Invalidate insurance under the Group Policy otherwise validly in force; or
3. Continue insurance under the Group Policy otherwise validly terminated.

#### **B. The Policyholder and your Employer act on their own behalf as your agent, and not as our agent.**

#### **C. Misstatement Of Age**

If a person's age has been misstated, we will make an equitable adjustment of premiums, benefits, or both. The adjustment will be based on:

1. The amount of insurance based on the correct age; and
2. The difference between the premiums paid and the premiums which would have been paid if the age had been correctly stated.

LL.CE.OT.2

### **TERMINATION OR AMENDMENT OF THE GROUP POLICY**

The Group Policy may be terminated by us or the Policyholder according to its terms. It will terminate automatically for nonpayment of premium. The Policyholder may terminate the Group Policy in whole, and may terminate insurance for any class or group of Members, at any time by giving us written notice.

Benefits under the Group Policy are limited to its terms, including any valid amendment. No change or amendment will be valid unless it is approved in writing by one of our executive officers and given to the Policyholder for attachment to the Group Policy. If the terms of the Certificate differ from the Group Policy, the terms stated in the Group Policy will govern. The Policyholder, your Employer, and their respective employees or representatives have no right or authority to change or amend the Group Policy or to waive any of its terms or provisions without our signed written approval.

We may change the Group Policy in whole or in part when any change or clarification in law or governmental regulation affects our obligations under the Group Policy, or with the Policyholder's consent.

Any such change or amendment of the Group Policy may apply to current or future Members or to any separate classes or groups thereof.

LL.TA.OT.1

### **DEFINITIONS**

AD&D Insurance means accidental death and dismemberment insurance, if any, under the Group Policy.

Annual Earnings means your annual rate of earnings from your Employer. Your Annual Earnings will be based on your earnings in effect on your last full day of Active Work unless a different date applies (see the **Coverage Features**).

**A. Partners, P.C. Partners, L.L.C. Owner-Employees, Sole Proprietors and S-Corporation Shareholders**

If you are a Partner, L.L.C. Owner-Employee, Sole Proprietor or S-Corporation Shareholder, Annual Earnings means your annual compensation from the Policyholder during the Policyholder's prior tax year. If you are a P.C. Partner, Annual Earnings means your annual compensation received by your professional corporation from the Policyholder during the Policyholder's prior tax year. Your annual compensation is determined by adding the following amounts as reported on the applicable Schedule K-1, Schedule C, Form W-2 or S-Corporation federal income tax return:

1. Your ordinary income (loss) from trade or business activity(ies).
2. Your guaranteed payments, if you are a Partner.
3. Your net profit from business.
4. Your compensation (as an officer), salary, or wages, if you are an S-Corporation Shareholder.

If you were not a Partner, P.C. Partner, L.L.C. Owner-Employee, Sole Proprietor or S-Corporation Shareholder during the entire prior tax year, your Annual Earnings will be 12 times your average monthly compensation for your period as a Partner, P.C. Partner, L.L.C. Owner-Employee, Sole Proprietor or S-Corporation Shareholder.

## B. All Other Members

1. Commissions averaged over the Earnings Period shown in the **Coverage Features** or over the period of your employment if less than the Earnings Period.
2. Shift differential pay.

Annual Earnings does not include:

1. Bonuses.
2. Overtime pay.
3. Any other extra compensation.

## C. All Members

Annual Earnings includes:

1. Contributions you make through a salary reduction agreement with your Employer to:
  - a. An Internal Revenue Code (IRC) Section 401(k), 403(b), 408(k), or 457 deferred compensation arrangement; or
  - b. An executive nonqualified deferred compensation arrangement.
2. Amounts contributed to your fringe benefits according to a salary reduction agreement under an IRC Section 125 plan.

Annual Earnings does not include:

1. Your Employer's contributions on your behalf to any deferred compensation arrangement or pension plan; or
2. Stock options or stock bonuses.

Child means:

1. Your unmarried child from live birth through age 20 (through age 24 if a registered student in full time attendance at an accredited educational institution); or
2. Your unmarried child who meets either of the following requirements:
  - a. The child is insured under the Group Policy and, on and after the date on which insurance would otherwise end because of the Child's age, is continuously Disabled.
  - b. The child was insured under the Prior Plan on the day before the effective date of your Employer's coverage under the Group Policy and was Disabled on that day, and is continuously Disabled thereafter.

Child includes any of the following, if they otherwise meet the definition of Child:

- i. Your adopted child; or
- ii. Your stepchild, if living in your home;

Your child is Disabled if your child is:

1. Continuously incapable of self-sustaining employment because of mental retardation or physical handicap; and
2. Chiefly dependent upon you for support and maintenance, or institutionalized because of mental retardation or physical handicap.

You must give us proof your Child is Disabled on our forms within 31 days after a) the date on which insurance would otherwise end because of the Child's age or b) the effective date of your

Employer's coverage under the Group Policy if your child is Disabled on that date. At reasonable intervals thereafter, we may require further proof, and have your Child examined at our expense.

Contributory means you pay all or part of the premium for insurance.

Dependents Life Insurance means dependents life insurance, if any, under the Group Policy.

Eligibility Waiting Period means the period you must be a Member before you become eligible for insurance. See **Coverage Features**.

Evidence Of Insurability means an applicant must:

1. Complete and sign our medical history statement;
2. Sign our form authorizing us to obtain information about the applicant's health;
3. Undergo a physical examination, if required by us, which may include blood testing; and
4. Provide any additional information about the applicant's insurability that we may reasonably require.

Group Policy means the group life insurance policy issued by us to the Policyholder and identified by the Group Policy Number.

Injury means an injury to your body.

Life Insurance means life insurance under the Group Policy.

L.L.C. Owner-Employee means an individual who owns an equity interest in an Employer and is actively employed in the conduct of the Employer's business.

Noncontributory means the Policyholder or Employer pays the entire premium for insurance.

P.C. Partner means the sole active employee and majority shareholder of a professional corporation in partnership with the Policyholder.

Physician means a licensed M.D. or D.O., acting within the scope of the license. Physician does not include you or your spouse, or the brother, sister, parent or child of either you or your spouse.

Pregnancy means your pregnancy, childbirth, or related medical conditions, including complications of pregnancy.

Prior Plan means your Employer's group life insurance plan in effect on the day before the effective date of your Employer's coverage under the Group Policy and which is replaced by the Group Policy.

Sickness means your sickness, illness, or disease.

Spouse means a person to whom you are legally married. However, for purposes of insurance under the Group Policy, Spouse does not include a person who is a full-time member of the armed forces of any country or a person from whom you are divorced.

Supplemental Life Insurance means supplemental life insurance, if any, under the Group Policy.

(K1\_REG\_WITH COM\_NO STOCK) LI.DF.OT.5

## POLICYHOLDER PROVISIONS

### A. Premiums

The premium due on each Premium Due Date is the sum of the premiums for all persons then insured. Premium Rates are shown in the **Coverage Features**.

### B. Contributions From Members

The Policyholder determines the amount, if any, of each Member's contribution toward the cost of insurance under the Group Policy.



### C. Changes In Premium Rates

We may change Premium Rates for Supplemental Life Insurance upon 31 days written notice, but not more often than once in any calendar year.

We may change any other Premium Rates when:

1. A change or clarification in law or governmental regulation affects the amount payable under the Group Policy. Any such change in Premium Rates will reflect only the change in our obligations; or
2. Factors material to underwriting the risk we assumed under the Group Policy, including, but not limited to, number of persons insured, age, Annual Earnings, gender and occupational classification, change by 25% or more; or
3. We and the Policyholder mutually agree to change Premium Rates.

Except as provided above, Premium Rates will not be changed during the Initial Rate Guarantee Period shown in the **Coverage Features**. Thereafter, except as provided above, we may change Premium Rates upon advance written notice to the Policyholder. The minimum advance notice is shown in the **Coverage Features** as Notice of Rate Change. Any such change in Premium Rates may be made effective on any Premium Due Date, but no such change will be made more than once in any contract year. Contract years are successive 12 month periods computed from the end of the Initial Rate Guarantee Period.

### D. Payment Of Premiums

All premiums are due on the Premium Due Dates shown in the **Coverage Features**.

Each premium is payable on or before its Premium Due Date directly to us at our home office. The payment of each premium as it becomes due will maintain the Group Policy in force until the next Premium Due Date.

### E. Grace Period And Termination For Nonpayment

If a premium is not paid on or before its Premium Due Date, it may be paid during the following Grace Period. The length of the Grace Period is shown in the **Coverage Features**. The Group Policy will remain in force during the Grace Period.

If the premium is not paid during the Grace Period, the Group Policy will terminate automatically at the end of the Grace Period.

The Policyholder is liable for premium for insurance under the Group Policy during the Grace Period. We may charge interest at the legal rate for any premium which is not paid during the Grace Period, beginning with the first day after the Grace Period.

### F. Termination For Other Reasons

The Policyholder may terminate the Group Policy by giving us written notice. The effective date of termination will be the later of:

1. The date stated in the notice; and
2. The date we receive the notice.

We may terminate the Group Policy as follows:

1. On any Premium Due Date if the number of persons insured is less than the Minimum Participation Number or less than the Minimum Participation Percentage shown in the **Coverage Features**.
2. On any Premium Due Date if we determine that the Policyholder has failed to promptly furnish any necessary information requested by us, or has failed to perform any other obligations relating to the Group Policy.

The minimum advance notice of such termination by us is the same as the Notice of Rate Change stated in the **Coverage Features**.

G. Premium Adjustments

Premium adjustments involving a return of unearned premiums to the Policyholder will be limited to the 12 months just before the date we receive a request for premium adjustment.

H. Certificates

We will issue certificates to the Policyholder showing the coverage under the Group Policy. The Policyholder will distribute a certificate to each Insured Member. If the terms of the Certificate differ from the Group Policy, the terms stated in the Group Policy will govern.

I. Records And Reports

The Policyholder or Employer will furnish on our forms all information reasonably necessary to administer the Group Policy. We have the right at all reasonable times to inspect the payroll and other records of the Policyholder or Employer which relate to insurance under the Group Policy.

J. Agency And Release

Individuals selected by the Policyholder or by any Employer to secure coverage under the Group Policy or to perform their administrative function under it, represent and act on behalf of the person selecting them, and do not represent or act on behalf of Standard Insurance Company. The Policyholder, Employer and such individuals have no authority to alter, expand or extend our liability or to waive, modify or compromise any defense or right we may have under the Group Policy. The Policyholder and each Employer hereby release, hold harmless and indemnify Standard Insurance Company from any liability arising from or related to any negligence, error, omission, misrepresentation or dishonesty of any of them or their representatives, agents or employees.

K. Notice Of Suit

The Policyholder or Employer shall promptly give us written notice of any lawsuit or other legal proceedings arising under the Group Policy.

L. Entire Contract, Changes

The Group Policy and the application of the Policyholder constitute the entire contract between the parties. A copy of the Policyholder's application is attached to the Group Policy when issued.

The Group Policy may be changed in whole or in part. No change in the Group Policy will be valid unless it is approved in writing by one of our executive officers and given to the Policyholder for attachment to the Group Policy. No agent has authority to change the Group Policy or to waive any of its provisions.

M. Effect On Workers' Compensation, State Disability Insurance

The coverage provided under the Group Policy is not a substitute for coverage under a workers' compensation or state disability income benefit law and does not relieve the Employer of any obligation to provide such coverage.

(NO DIV) LI.PH.OT.4

ALI99

**STANDARD INSURANCE COMPANY**

A Stock Life Insurance Company  
 900 SW Fifth Avenue  
 Portland, Oregon 97204-1282  
 (503) 321-7000

**GROUP LONG TERM DISABILITY INSURANCE POLICY**


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Policyholder:	Sample K2000 Public Group
Policy Number:	720100-A
Effective Date:	November 1, 2007

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The consideration for this Group Policy is the application of the Policyholder and the payment by the Policyholder of premiums as provided herein.

Subject to the **Policyholder Provisions** and the **Incontestability Provisions**, this Group Policy (a) is issued for the Initial Rate Guarantee Period shown in the **Coverage Features**, and (b) may be renewed for successive renewal periods by the payment of the premium set by us on each renewal date. The length of each renewal period will be set by us, but will not be less than 12 months.

For purposes of effective dates and ending dates under this Group Policy, all days begin and end at 12:00 midnight Standard Time at the Policyholder's address.

All provisions on this and the following pages are part of this Group Policy. "You" and "your" mean the Member. "We", "us", and "our" mean Standard Insurance Company. Other defined terms appear with their initial letters capitalized. Section headings, and references to them, appear in boldface type.

STANDARD INSURANCE COMPANY

GP190-LTD/S399

**THIS POLICY IS NOT AVAILABLE IN CALIFORNIA, MARYLAND, OR NEW YORK**

**This is a sample policy. Product availability, plan provisions and features may vary by state. The proposed premium rate and plan design is based on the underwriting data received by us. Final premium rates and plan provisions will be determined on the basis of: applicable state laws, Policyholder contributions, confirmation of occupations, the actual composition of the group of persons who will become insured, and our current underwriting rules and practices.**

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## COVERAGE FEATURES

This section contains many of the features of your long term disability (LTD) insurance. Other provisions, including exclusions, limitations, and Deductible Income, appear in other sections. Please refer to the text of each section for full details. The Table of Contents and the Index of Defined Terms help locate sections and definitions.

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### GENERAL POLICY INFORMATION

Group Policy Number:	720100-A
Policyholder:	Sample K2000 Public Group
Employer(s):	Sample K2000 Public Group
Group Policy Effective Date:	November 1, 2007
Policy Issued In:	Alaska

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Member means:

1. A regular employee of the Employer;
2. Actively At Work at least 30 hours each week (for purposes of the Member definition, Actively At Work will include regularly scheduled days off, holidays, or vacation days, so long as the person is capable of Active Work on those days); and
3. A citizen or resident of the United States or Canada.

Member does not include a temporary or seasonal employee, a full-time member of the armed forces of any country, a leased employee, or an independent contractor.

Class Definition:      None

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### SCHEDULE OF INSURANCE

Eligibility Waiting Period:	<p>You are eligible on one of the following dates:</p> <p>If you are a Member on the Group Policy Effective Date, you are eligible on that date.</p> <p>If you become a Member after the Group Policy Effective Date, you are eligible on the first day of the calendar month coinciding with or next following 90 consecutive days as a Member.</p> <p>Eligibility Waiting Period means the period you must be a Member before you become eligible for insurance.</p>
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Own Occupation Period:	The first 24 months for which LTD Benefits are paid.
Any Occupation Period:	From the end of the Own Occupation Period to the end of the Maximum Benefit Period.

---

LTD Benefit:	60% of the first \$16,667 of your Predisability Earnings, reduced by Deductible Income.
--------------	---

Maximum:	\$10,000 before reduction by Deductible Income.
Minimum:	\$100
Benefit Waiting Period:	90 days.
Maximum Benefit Period:	Determined by your age when Disability begins, as follows:
Age	Maximum Benefit Period
61 or younger .....	To age 65, or 3 years 6 months, if longer.
62 .....	3 years 6 months
63 .....	3 years
64 .....	2 years 6 months
65 .....	2 years
66 .....	1 year 9 months
67 .....	1 year 6 months
68 .....	1 year 3 months
69 or older .....	1 year

---

### PREMIUM CONTRIBUTIONS

Insurance is: Noncontributory

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### PREMIUM AND RENEWALS

Premium Rates:

LTD Insurance: 0.880% of the first \$16,667 of each insured Member's insured Predisability Earnings.

Premium Due Dates: November 1, 2007 and the first day of each calendar month thereafter.

Initial Rate Guarantee Period: November 1, 2007 to November 1, 2009

Minimum Participation Number: 10 insured Members

Minimum Participation Percentage: 100% of eligible Members

## INSURING CLAUSE

If you become Disabled while insured under the Group Policy, we will pay LTD Benefits according to the terms of the Group Policy after we receive Proof Of Loss satisfactory to us.

LT.IC.OT.1

## BECOMING INSURED

To become insured you must be a Member, complete your Eligibility Waiting Period, and meet the requirements in **Active Work Provisions** and **When Your Insurance Becomes Effective**.

You are a Member if you are:

1. A regular employee of the Employer;
2. Actively At Work at least 30 hours each week (for purposes of the Member definition, Actively At Work will include regularly scheduled days off, holidays, or vacation days, so long as you are capable of Active Work on those days); and
3. A citizen or resident of the United States or Canada.

You are not a Member if you are a temporary or seasonal employee, a full-time member of the armed forces of any country, a leased employee, or an independent contractor.

Eligibility Waiting Period means the period you must be a Member before you become eligible for insurance. Your Eligibility Waiting Period is shown in the **Coverage Features**.

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## WHEN YOUR INSURANCE BECOMES EFFECTIVE

### A. When Insurance Becomes Effective

Subject to the **Active Work Provisions**, your insurance becomes effective as follows:

#### 1. Insurance Subject To Evidence Of Insurability

Insurance subject to Evidence Of Insurability becomes effective on the date we approve your Evidence Of Insurability.

#### 2. Insurance Not Subject To Evidence of Insurability

The **Coverage Features** states whether insurance is Contributory or Noncontributory.

##### a. Noncontributory Insurance

Noncontributory insurance not subject to Evidence Of Insurability becomes effective on the date you become eligible.

##### b. Contributory Insurance

You must apply in writing for Contributory insurance and agree to pay premiums. Contributory insurance not subject to Evidence Of Insurability becomes effective on:

- i. The date you become eligible if you apply on or before that date; or
- ii. The date you apply if you apply within 31 days after you become eligible.

Late application: Evidence Of Insurability is required if you apply more than 31 days after you become eligible.



**B. Takeover Provisions**

1. If you were insured under the Prior Plan on the day before the effective date of your Employer's coverage under the Group Policy, your Eligibility Waiting Period is waived on the effective date of your Employer's coverage under the Group Policy.
2. You must submit satisfactory Evidence Of Insurability to become insured if you were eligible for insurance under the Prior Plan for more than 31 days but were not insured.

**C. Evidence Of Insurability Requirement**

Evidence Of Insurability satisfactory to us is required:

- a. For late application for Contributory Insurance.
- b. For Members eligible but not insured under the Prior Plan.
- c. For reinstatements if required.

Providing Evidence Of Insurability means you must:

1. Complete and sign our medical history statement;
2. Sign our form authorizing us to obtain information about your health;
3. Undergo a physical examination, if required by us, which may include blood testing; and
4. Provide any additional information about your insurability that we may reasonably require.

(VAR EOI) LT.EF.OT.1

## **ACTIVE WORK PROVISIONS**

**A. Active Work Requirement**

You must be capable of Active Work on the day before the scheduled effective date of your insurance or your insurance will not become effective as scheduled. If you are incapable of Active Work because of Physical Disease, Injury, Pregnancy or Mental Disorder on the day before the scheduled effective date of your insurance, your insurance will not become effective until the day after you complete one full day of Active Work as an eligible Member.

Active Work and Actively At Work mean performing with reasonable continuity the Material Duties of your Own Occupation at your Employer's usual place of business.

**B. Changes In Insurance**

This Active Work requirement also applies to any increase in your insurance.

LT.AW.OT.1

### **CONTINUITY OF COVERAGE**

If your Disability is subject to the Preexisting Condition Exclusion, LTD Benefits will be payable if:

1. You were insured under the Prior Plan on the day before the effective date of your Employer's coverage under the Group Policy;
2. You became insured under the Group Policy when your insurance under the Prior Plan ceased;
3. You were continuously insured under the Group Policy from the effective date of your insurance under the Group Policy through the date you became Disabled from the Preexisting Condition; and
4. Benefits would have been payable under the terms of the Prior Plan if it had remained in force, taking into account the preexisting condition exclusion, if any, of the Prior Plan.

For such a Disability, the amount of your LTD Benefit will be the lesser of:

- a. The monthly benefit that would have been payable under the terms of the Prior Plan if it had remained in force; or
- b. The LTD Benefit payable under the terms of the Group Policy, but without application of the Preexisting Condition Exclusion.

Your LTD Benefits for such a Disability will end on the earlier of the following dates:

- a. The date benefits would have ended under the terms of the Prior Plan if it had remained in force; or
- b. The date LTD Benefits end under the terms of the Group Policy.

(PX) LT.CC.OT.1

### **WHEN YOUR INSURANCE ENDS**

Your insurance ends automatically on the earliest of:

1. The date the last period ends for which a premium contribution was made for your insurance.
2. The date the Group Policy terminates.
3. The date your employment terminates.
4. The date you cease to be a Member. However, your insurance will be continued during the following periods when you are absent from Active Work, unless it ends under any of the above.
  - a. During the first 90 days of a temporary or indefinite administrative or involuntary leave of absence or sick leave, provided your Employer is paying you at least the same Predisability Earnings paid to you immediately before you ceased to be a Member. A period when you are absent from Active Work as part of a severance or other employment termination agreement is not a leave of absence, even if you are receiving the same Predisability Earnings.
  - b. During a leave of absence if continuation of your insurance under the Group Policy is required by a state-mandated family or medical leave act or law.
  - c. During any other temporary leave of absence approved by your Employer in advance and in writing and scheduled to last 30 days or less. A period of Disability is not a leave of absence.
  - d. During the Benefit Waiting Period.

LT.EN.OT.1

## **CONTINUED INSURANCE DURING SCHOOL VACATIONS**

If you cease to be a Member because of a school break or vacation, your insurance will be continued during that period.

LT.SV.OT.1

## **WAIVER OF PREMIUM**

We will waive payment of premium for your insurance while LTD Benefits are payable.

LT.WP.OT.1

## **REINSTATEMENT OF INSURANCE**

If your insurance ends, you may become insured again as a new Member. However, the following will apply:

1. If you cease to be a Member because of a covered Disability, your insurance will end; however, if you become a Member again immediately after LTD Benefits end, the Eligibility Waiting Period will be waived and, with respect to the condition(s) for which LTD Benefits were payable, the Preexisting Condition Exclusion will be applied as if your insurance had remained in effect during that period of Disability.
2. If your insurance ends because you cease to be a Member for any reason other than a covered Disability, and if you become a Member again within 90 days, the Eligibility Waiting Period will be waived.
3. If your insurance ends because you fail to make a required premium contribution, you must provide Evidence Of Insurability to become insured again.
4. If your insurance ends because you are on a federal or state-mandated family or medical leave of absence, and you become a Member again immediately following the period allowed, your insurance will be reinstated pursuant to the federal or state-mandated family or medical leave act or law.
5. The Preexisting Conditions Exclusion will be applied as if insurance had remained in effect in the following instances:
  - a. If you become insured again within 90 days.
  - b. If required by federal or state-mandated family or medical leave act or law and you become insured again immediately following the period allowed under the family or medical leave act or law.
6. In no event will insurance be retroactive.

LT.RE.OT.1

## **DEFINITION OF DISABILITY**

You are Disabled if you meet the following definitions during the periods they apply:

- A. Own Occupation Definition Of Disability.
  - B. Any Occupation Definition Of Disability.
- A. Own Occupation Definition Of Disability

During the Benefit Waiting Period and the Own Occupation Period you are required to be Disabled only from your Own Occupation.

You are Disabled from your Own Occupation if, as a result of Physical Disease, Injury, Pregnancy or Mental Disorder:

1. You are unable to perform with reasonable continuity the Material Duties of your Own Occupation; and
2. You suffer a loss of at least 20% in your Indexed Predisability Earnings when working in your Own Occupation.

Note: You are not Disabled merely because your right to perform your Own Occupation is restricted, including a restriction or loss of license.

During the Own Occupation Period you may work in another occupation while you meet the Own Occupation Definition Of Disability. However, you will no longer be Disabled when your Work Earnings from another occupation meet or exceed 80% of your Indexed Predisability Earnings. Your Work Earnings may be Deductible Income. See **Return To Work Provisions** and **Deductible Income**.

Own Occupation means any employment, business, trade, profession, calling or vocation that involves Material Duties of the same general character as the occupation you are regularly performing for your Employer when Disability begins. In determining your Own Occupation, we are not limited to looking at the way you perform your job for your Employer, but we may also look at the way the occupation is generally performed in the national economy. If your Own Occupation involves the rendering of professional services and you are required to have a professional or occupational license in order to work, your Own Occupation is as broad as the scope of your license.

Material Duties means the essential tasks, functions and operations, and the skills, abilities, knowledge, training and experience, generally required by employers from those engaged in a particular occupation that cannot be reasonably modified or omitted. In no event will we consider working an average of more than 40 hours per week to be a Material Duty.

#### B. Any Occupation Definition Of Disability

During the Any Occupation Period you are required to be Disabled from all occupations.

You are Disabled from all occupations if, as a result of Physical Disease, Injury, Pregnancy or Mental Disorder, you are unable to perform with reasonable continuity the Material Duties of Any Occupation.

Any Occupation means any occupation or employment which you are able to perform, whether due to education, training, or experience, which is available at one or more locations in the national economy and in which you can be expected to earn at least 60% of your Indexed Predisability Earnings within twelve months following your return to work, regardless of whether you are working in that or any other occupation.

Material Duties means the essential tasks, functions and operations, and the skills, abilities, knowledge, training and experience, generally required by employers from those engaged in a particular occupation that cannot be reasonably modified or omitted. In no event will we consider working an average of more than 40 hours per week to be a Material Duty.

Your Own Occupation Period and Any Occupation Period are shown in the **Coverage Features**.

(OWN\_ANY\_WITH 40) LT.DD.OT.1

### RETURN TO WORK PROVISIONS

#### A. Return To Work Responsibility

During the Own Occupation Period no LTD Benefits will be paid for any period when you are able to work in your Own Occupation and able to earn at least 20% of your Indexed Predisability Earnings, but you elect not to work.

During the Any Occupation Period no LTD Benefits will be paid for any period when you are able to work in Any Occupation and able to earn at least 20% of your Indexed Predisability Earnings, but you elect not to work.

#### B. Return To Work Incentive

You may serve your Benefit Waiting Period while working if you meet the Own Occupation Definition Of Disability.

You are eligible for the Return To Work Incentive on the first day you work after the Benefit Waiting Period if LTD Benefits are payable on that date. The Return To Work Incentive changes 12 months after that date, as follows:

1. During the first 12 months, your Work Earnings will be Deductible Income as determined in a., b. and c:
  - a. Determine the amount of your LTD Benefit as if there were no Deductible Income, and add your Work Earnings to that amount.
  - b. Determine 100% of your Indexed Predisability Earnings.
  - c. If a. is greater than b., the difference will be Deductible Income.
2. After those first 12 months, 50% of your Work Earnings will be Deductible Income.

#### C. Work Earnings Definition

Work Earnings means your gross monthly earnings from work you perform while Disabled, plus the earnings you could receive if you worked as much as you are able to, considering your Disability, in work that is reasonably available:

- a. In your Own Occupation during the Own Occupation Period; and
- b. In Any Occupation during the Any Occupation Period.

Work Earnings includes earnings from your Employer, any other employer, or self-employment, and any sick pay, vacation pay, annual or personal leave pay or other salary continuation earned or accrued while working.

Earnings from work you perform will be included in Work Earnings when you have the right to receive them. If you are paid in a lump sum or on a basis other than monthly, we will prorate your Work Earnings over the period of time to which they apply. If no period of time is stated, we will use a reasonable one.

In determining your Work Earnings we:

1. Will use the financial accounting method you use for income tax purposes, if you use that method on a consistent basis.
2. Will not be limited to the taxable income you report to the Internal Revenue Service.
3. May ignore expenses under section 179 of the IRC as a deduction from your gross earnings.
4. May ignore depreciation as a deduction from your gross earnings.
5. May adjust the financial information you give us in order to clearly reflect your Work Earnings.

If we determine that your earnings vary substantially from month to month, we may determine your Work Earnings by averaging your earnings over the most recent three-month period. During the Own Occupation Period you will no longer be Disabled when your average Work Earnings over the last three months exceed 80% of your Indexed Predisability Earnings. During the Any Occupation Period you will no longer be Disabled when your average Work Earnings over the last three months exceed 60% of your Indexed Predisability Earnings.

LT.RW.OT.1

## REASONABLE ACCOMMODATION EXPENSE BENEFIT

If you return to work in any occupation for any employer, not including self-employment, as a result of a reasonable accommodation made by such employer, we will pay that employer a Reasonable Accommodation Expense Benefit of up to \$25,000, but not to exceed the expenses incurred.

The Reasonable Accommodation Expense Benefit is payable only if the reasonable accommodation is approved by us in writing prior to its implementation.

LT.RA.OT.1

## REHABILITATION PLAN PROVISION

While you are Disabled you may qualify to participate in a Rehabilitation Plan. Rehabilitation Plan means a written plan, program or course of vocational training or education that is intended to prepare you to return to work.

To participate in a Rehabilitation Plan you must apply on our forms or in a letter to us. The terms, conditions and objectives of the plan must be accepted by you and approved by us in advance. We have the sole discretion to approve your Rehabilitation Plan.

An approved Rehabilitation Plan may include our payment of some or all of the expenses you incur in connection with the plan, including:

- a. Training and education expenses.
- b. Family care expenses.
- c. Job-related expenses.
- d. Job search expenses.

LT.RH.OT.1

## TEMPORARY RECOVERY

You may temporarily recover from your Disability and then become Disabled again from the same cause or causes without having to serve a new Benefit Waiting Period. Temporary Recovery means you cease to be Disabled for no longer than the applicable Allowable Period. See **Definition Of Disability**.

### A. Allowable Periods

- 1. During the Benefit Waiting Period: a total of 30 days of recovery.
- 2. During the Maximum Benefit Period: 180 days for each period of recovery.

### B. Effect Of Temporary Recovery

If your Temporary Recovery does not exceed the Allowable Periods, the following will apply.

- 1. The Predisability Earnings used to determine your LTD Benefit will not change.
- 2. The period of Temporary Recovery will not count toward your Benefit Waiting Period, your Maximum Benefit Period or your Own Occupation Period.
- 3. No LTD Benefits will be payable for the period of Temporary Recovery.
- 4. No LTD Benefits will be payable after benefits become payable to you under any other disability insurance plan under which you become insured during your period of Temporary Recovery.
- 5. Except as stated above, the provisions of the Group Policy will be applied as if there had been no interruption of your Disability.

LT.TR.OT.1

## **WHEN LTD BENEFITS END**

Your LTD Benefits end automatically on the earliest of:

1. The date you are no longer Disabled.
2. The date your Maximum Benefit Period ends.
3. The date you die.
4. The date benefits become payable under any other LTD plan under which you become insured through employment during a period of Temporary Recovery.
5. The date you fail to provide proof of continued Disability and entitlement to LTD Benefits.

LT.BE.OT.1

## **PREDISABILITY EARNINGS**

Your Predisability Earnings will be based on your earnings in effect on your last full day of Active Work. However, if you are a Partner, L.L.C. Owner-Employee, Sole Proprietor or S-Corporation Shareholder, your Predisability Earnings will be based on your Employer's prior tax year or the Policyholder's prior tax year if you are a P.C. Partner. Any subsequent change in your earnings after that last day of Active Work will not affect your Predisability Earnings.

### **A. Partners, P.C. Partners, L.L.C. Owner-Employees, Sole Proprietors and S-Corporation Shareholders**

If you are a Partner, L.L.C. Owner-Employee, Sole Proprietor or S-Corporation Shareholder, Predisability Earnings means your average monthly compensation from your Employer during the Employer's prior tax year. If you are a P.C. Partner, Predisability Earnings means the average monthly compensation received by your professional corporation from the Policyholder during the Policyholder's prior tax year. Your average monthly compensation is determined by adding the following amounts as reported on the applicable Schedule K-1, Schedule C, Form W-2 or S-Corporation federal income tax return, and dividing by 12 (or by the number of months you were a Partner, P.C. Partner, L.L.C. Owner-Employee, Sole Proprietor or S-Corporation Shareholder if less than 12):

1. Your ordinary income from trade or business activity(ies).
2. Your guaranteed payments, if you are a Partner.
3. Your net profit from business.
4. Your compensation (as an officer), salary, or wages, if you are an S-Corporation Shareholder.

If you were not a Partner, P.C. Partner, L.L.C. Owner-Employee, Sole Proprietor or S-Corporation Shareholder during the entire prior tax year, your Predisability Earnings will be your average monthly compensation for your period as a Partner, P.C. Partner, L.L.C. Owner-Employee, Sole Proprietor or S-Corporation Shareholder.

### **B. All Other Members**

Predisability Earnings means your monthly rate of earnings from your Employer, including:

1. Commissions averaged over the preceding 12 months or over the period of your employment if less than 12 months.
2. Shift differential pay.

Predisability Earnings does not include:

1. Bonuses.
2. Overtime pay.

3. Any other extra compensation.

If you are paid on an annual contract basis, your monthly rate of earnings is one-twelfth (1/12th) of your annual contract salary.

If you are paid hourly, your monthly rate of earnings is based on your hourly pay rate multiplied by the number of hours you are regularly scheduled to work per month, but not more than 173 hours. If you do not have regular work hours, your monthly rate of earnings is based on the average number of hours you worked per month during the preceding 12 calendar months (or during your period of employment if less than 12 months), but not more than 173 hours.

C. All Members

Predisability Earnings includes:

1. Contributions you make through a salary reduction agreement with your Employer to:
  - a. An Internal Revenue Code (IRC) Section 401(k), 403(b), 408(k), 408(p), or 457 deferred compensation arrangement; or
  - b. An executive nonqualified deferred compensation arrangement.
2. Amounts contributed to your fringe benefits according to a salary reduction agreement under an IRC Section 125 plan.

Predisability Earnings does not include:

1. Your Employer's contributions on your behalf to any deferred compensation arrangement or pension plan; or
2. Stock options or stock bonuses.

(K1\_REG WITH COM\_NO STOCK) LT.PD.OT.1

## DEDUCTIBLE INCOME

Subject to **Exceptions To Deductible Income**, Deductible Income means:

1. Sick pay, annual or personal leave pay, severance pay, or other salary continuation, including donated amounts, (but not vacation pay) paid to you by your Employer, if it exceeds the amount found in a., b., and c.
  - a. Determine the amount of your LTD Benefit as if there were no Deductible Income, and add your sick pay or other salary continuation to that amount.
  - b. Determine 100% of your Indexed Predisability Earnings.
  - c. If a. is greater than b., the difference will be Deductible Income.
2. Your Work Earnings, as described in the **Return To Work Provisions**.
3. Any amount you receive or are eligible to receive because of your disability, including amounts for partial or total disability, whether permanent, temporary, or vocational, under any of the following:
  - a. A workers' compensation law;
  - b. The Jones Act;
  - c. Maritime Doctrine of Maintenance, Wages, or Cure;
  - d. Longshoremen's and Harbor Worker's Act; or
  - e. Any similar act or law.



4. Any amount you, your spouse, or your child under age 18 receive or are eligible to receive because of your disability or retirement under:
  - a. The Federal Social Security Act;
  - b. The Canada Pension Plan;
  - c. The Quebec Pension Plan;
  - d. The Railroad Retirement Act; or
  - e. Any similar plan or act.

Full offset: Both the primary benefit (the benefit awarded to you) and dependents benefit are Deductible Income.

Benefits your spouse or a child receives or are eligible to receive because of your disability are Deductible Income regardless of marital status, custody, or place of residence. The term "child" has the meaning given in the applicable plan or act.

5. Any amount you receive or are eligible to receive because of your disability under any state disability income benefit law or similar law.
6. Any amount you receive or are eligible to receive because of your disability under another group insurance coverage.
7. Any disability or retirement benefits you receive or are eligible to receive under your Employer's retirement plan, including a public employee retirement system, a state teacher retirement system, and a plan arranged and maintained by a union or employee association for the benefit of its members. You and your Employer's contributions will be considered as distributed simultaneously throughout your lifetime, regardless of how funds are distributed from the retirement plan.

If any of these plans has two or more payment options, the option which comes closest to providing you a monthly income for life with no survivors benefit will be Deductible Income, even if you choose a different option.

8. Any earnings or compensation included in Predisability Earnings which you receive or are eligible to receive while LTD Benefits are payable.
9. Any amount you receive or are eligible to receive under any unemployment compensation law or similar act or law.
10. Any amount you receive or are eligible to receive from or on behalf of a third party because of your disability, whether by judgement, settlement or other method. If you notify us before filing suit or settling your claim against such third party, the amount used as Deductible Income will be reduced by a pro rata share of your costs of recovery, including reasonable attorney fees.
11. Any amount you receive by compromise, settlement, or other method as a result of a claim for any of the above, whether disputed or undisputed.

(NO OTHR OFFST\_PUB\_WITH 3RD) LT.DI.OT.1

## **EXCEPTIONS TO DEDUCTIBLE INCOME**

Deductible Income does not include:

1. Any cost of living increase in any Deductible Income other than Work Earnings, if the increase becomes effective while you are Disabled and while you are eligible for the Deductible Income.
2. Reimbursement for hospital, medical, or surgical expense.
3. Reasonable attorneys fees incurred in connection with a claim for Deductible Income.
4. Benefits from any individual disability insurance policy.
5. Early retirement benefits under the Federal Social Security Act which are not actually received.
6. Group credit or mortgage disability insurance benefits.
7. Accelerated death benefits paid under a life insurance policy.
8. Benefits from the following:
  - a. Profit sharing plan.
  - b. Thrift or savings plan.
  - c. Deferred compensation plan.
  - d. Plan under IRC Section 401(k), 408(k), 408(p), or 457.
  - e. Individual Retirement Account (IRA).
  - f. Tax Sheltered Annuity (TSA) under IRC Section 403(b).
  - g. Stock ownership plan.
  - h. Keogh (HR-10) plan.

(PUB\_NO OTHR OFFST) LT.ED.OT.1

## **RULES FOR DEDUCTIBLE INCOME**

### **A. Monthly Equivalents**

Each month we will determine your LTD Benefit using the Deductible Income for the same monthly period, even if you actually receive the Deductible Income in another month.

If you are paid Deductible Income in a lump sum or by a method other than monthly, we will determine your LTD Benefit using a prorated amount. We will use the period of time to which the Deductible Income applies. If no period of time is stated, we will use a reasonable one.

### **B. Your Duty To Pursue Deductible Income**

You must pursue Deductible Income for which you may be eligible. We may ask for written documentation of your pursuit of Deductible Income. You must provide it within 60 days after we mail you our request. Otherwise, we may reduce your LTD Benefits by the amount we estimate you would be eligible to receive upon proper pursuit of the Deductible Income.

### **C. Pending Deductible Income**

We will not deduct pending Deductible Income until it becomes payable. You must notify us of the amount of the Deductible Income when it is approved. You must repay us for the resulting overpayment of your claim.

**D. Overpayment Of Claim**

We will notify you of the amount of any overpayment of your claim under any group disability insurance policy issued by us. You must immediately repay us. You will not receive any LTD Benefits until we have been repaid in full. In the meantime, any LTD Benefits paid, including the Minimum LTD Benefit, will be applied to reduce the amount of the overpayment. We may charge you interest at the legal rate for any overpayment which is not repaid within 30 days after we first mail you notice of the amount of the overpayment.

LT.RU.OT.1

**SUBROGATION**

If LTD Benefits are paid or payable to you under the Group Policy as the result of any act or omission of a third party, we will be subrogated to all rights of recovery you may have in respect to such act or omission. You must execute and deliver to us such instruments and papers as may be required and do whatever else is needed to secure such rights. You must avoid doing anything that would prejudice our rights of subrogation.

If you notify us before filing suit or settling your claim against such third party, the amount to which we are subrogated will be reduced by a pro rata share of your costs of recovery, including reasonable attorney fees. If suit or action is filed, we may record a notice of payments of LTD Benefits, and such notice shall constitute a lien on any judgement recovered.

If you or your legal representative fail to bring suit or action promptly against such third party, we may institute such suit or action in our name or in your name. We are entitled to retain from any judgement recovered the amount of LTD Benefits paid or to be paid to you or on your behalf, together with our costs of recovery, including attorney fees. The remainder of such recovery, if any, shall be paid to you or as the court may direct.

LT.SG.OT.1

**SURVIVORS BENEFIT**

If you die while LTD Benefits are payable, and on the date you die you have been continuously Disabled for at least 180 days, we will pay a Survivors Benefit according to 1 through 4 below.

1. The Survivors Benefit is a lump sum equal to 3 times your LTD Benefit without reduction by Deductible Income.
2. The Survivors Benefit will first be applied to reduce any overpayment of your claim.
3. The Survivors Benefit will be paid at our option to any one or more of the following:
  - a. Your surviving spouse;
  - b. Your surviving unmarried children, including adopted children, under age 25;
  - c. Your surviving spouse's unmarried children, including adopted children, under age 25; or
  - d. Any person providing the care and support of any person listed in a., b., or c. above.
4. No Survivors Benefit will be paid if you are not survived by any person listed in a., b., or c. above.

(MULTPL) LT.SB.OT.1

**BENEFITS AFTER INSURANCE ENDS OR IS CHANGED**

During each period of continuous Disability, we will pay LTD Benefits according to the terms of the Group Policy in effect on the date you become Disabled. Your right to receive LTD Benefits will not be affected by:

1. Any amendment to the Group Policy that is effective after you become Disabled.
2. Termination of the Group Policy after you become Disabled.

LT.BA.OT.1

### **EFFECT OF NEW DISABILITY**

If a period of Disability is extended by a new cause while LTD Benefits are payable, LTD Benefits will continue while you remain Disabled. However, 1 and 2 apply.

1. LTD Benefits will not continue beyond the end of the original Maximum Benefit Period.
2. The **Disabilities Excluded From Coverage**, **Disabilities Subject To Limited Pay Periods**, and **Limitations** sections will apply to the new cause of Disability.

LT.ND.OT.1

### **DISABILITIES EXCLUDED FROM COVERAGE**

#### A. War

You are not covered for a Disability caused or contributed to by War or any act of War. War means declared or undeclared war, whether civil or international, and any substantial armed conflict between organized forces of a military nature.

#### B. Intentionally Self-Inflicted Injury

You are not covered for a Disability caused or contributed to by an intentionally self-inflicted Injury, while sane or insane.

#### C. Preexisting Condition

##### 1. Definition

Preexisting Condition means a mental or physical condition whether or not diagnosed or misdiagnosed:

- a. For which you have done or for which a reasonably prudent person would have done any of the following:
  - i. Consulted a physician or other licensed medical professional;
  - ii. Received medical treatment, services or advice;
  - iii. Undergone diagnostic procedures, including self-administered procedures;
  - iv. Taken prescribed drugs or medications;
- b. Which, as a result of any medical examination, including routine examination, was discovered or suspected;

at any time during the 90-day period just before your insurance becomes effective.

##### 2. Exclusion

You are not covered for a Disability caused or contributed to by a Preexisting Condition or medical or surgical treatment of a Preexisting Condition unless, on the date you become Disabled, you:

- a. Have been continuously insured under the Group Policy for 12 months; and
- b. Have been Actively At Work for at least one full day after the end of that 12 months.

**D. Loss Of License Or Certification**

You are not covered for a Disability caused or contributed to by the loss of your professional license, occupational license or certification.

**E. Violent Or Criminal Conduct**

You are not covered for a Disability caused or contributed to by your committing or attempting to commit an assault or felony, or actively participating in a violent disorder or riot. Actively participating does not include being at the scene of a violent disorder or riot while performing your official duties.

(WITH PRUDNT) LT.XD.OT.1

### **DISABILITIES SUBJECT TO LIMITED PAY PERIODS**

**A. Mental Disorders, Substance Abuse and Other Limited Conditions**

Payment of LTD Benefits is limited to 24 months during your entire lifetime for a Disability caused or contributed to by any one or more of the following, or medical or surgical treatment of one or more of the following:

1. Mental Disorders;
2. Substance Abuse; or
3. Other Limited Conditions.

However, if you are confined in a Hospital solely because of a Mental Disorder at the end of the 24 months, this limitation will not apply while you are continuously confined.

Mental Disorder means any mental, emotional, behavioral, psychological, personality, cognitive, mood or stress-related abnormality, disorder, disturbance, dysfunction or syndrome, regardless of cause (including any biological or biochemical disorder or imbalance of the brain) or the presence of physical symptoms. Mental Disorder includes, but is not limited to, bipolar affective disorder, organic brain syndrome, schizophrenia, psychotic illness, manic depressive illness, depression and depressive disorders, anxiety and anxiety disorders.

Substance Abuse means use of alcohol, alcoholism, use of any drug, including hallucinogens, or drug addiction.

Other Limited Conditions means chronic fatigue conditions (such as chronic fatigue syndrome, chronic fatigue immunodeficiency syndrome, post viral syndrome, limbic encephalopathy, Epstein-Barr virus infection, herpes virus type 6 infection, or myalgic encephalomyelitis), any allergy or sensitivity to chemicals or the environment (such as environmental allergies, sick building syndrome, multiple chemical sensitivity syndrome or chronic toxic encephalopathy), chronic pain conditions (such as fibromyalgia, reflex sympathetic dystrophy or myofascial pain), carpal tunnel or repetitive motion syndrome, temporomandibular joint disorder, or craniofacial joint disorder.

However, Other Limited Conditions does not include neoplastic diseases, neurologic diseases, endocrine diseases, hematologic diseases, asthma, allergy-induced reactive lung disease, tumors, malignancies, or vascular malformations, demyelinating diseases, or lupus.

Hospital means a legally operated hospital providing full-time medical care and treatment under the direction of a full-time staff of licensed physicians. Rest homes, nursing homes, convalescent homes, homes for the aged, and facilities primarily affording custodial, educational, or rehabilitative care are not Hospitals.

**B. Rules For Disabilities Subject To Limited Pay Periods**

1. If you are Disabled as a result of a Mental Disorder or any Physical Disease or Injury for which payment of LTD Benefits is subject to a limited pay period, and at the same time are Disabled

as a result of a Physical Disease, Injury, or Pregnancy that is not subject to such limitation, LTD Benefits will be payable first for conditions that are subject to the limitation.

2. No LTD Benefits will be payable after the end of the limited pay period, unless on that date you continue to be Disabled as a result of a Physical Disease, Injury, or Pregnancy for which payment of LTD Benefits is not limited.

LT.LP.OT.1

## LIMITATIONS

### A. Care Of A Physician

You must be under the ongoing care of a Physician in the appropriate specialty as determined by us during the Benefit Waiting Period. No LTD Benefits will be paid for any period of Disability when you are not under the ongoing care of a Physician in the appropriate specialty as determined by us.

### B. Return To Work Responsibility

During the Own Occupation Period no LTD Benefits will be paid for any period of Disability when you are able to work in your Own Occupation and able to earn at least 20% of your Indexed Predisability Earnings, but you elect not to work.

During the Any Occupation Period, no LTD Benefits will be paid for any period of Disability when you are able to work in Any Occupation and able to earn at least 20% of your Indexed Predisability Earnings, but elect not to work.

### C. Rehabilitation Program

No LTD Benefits will be paid for any period of Disability when you are not participating in good faith in a plan, program or course of medical treatment or vocational training or education approved by us unless your Disability prevents you from participating.

### D. Foreign Residency

Payment of LTD Benefits is limited to 12 months for each period of continuous Disability while you reside outside of the United States or Canada.

### E. Imprisonment

No LTD Benefits will be paid for any period of Disability when you are confined for any reason in a penal or correctional institution.

LT.LM.OT.1

## CLAIMS

### A. Filing A Claim

Claims should be filed on our forms. If we do not provide our forms within 15 days after they are requested, you may submit your claim in a letter to us. The letter should include the date disability began, and the cause and nature of the disability.

### B. Time Limits On Filing Proof Of Loss

You must give us Proof Of Loss within 90 days after the end of the Benefit Waiting Period. If you cannot do so, you must give it to us as soon as reasonably possible, but not later than one year after that 90-day period. If Proof Of Loss is filed outside these time limits, your claim will be denied. These limits will not apply while you lack legal capacity.

### C. Proof Of Loss

Proof Of Loss means written proof that you are Disabled and entitled to LTD Benefits. Proof Of Loss must be provided at your expense.

For claims of Disability due to conditions other than Mental Disorders, we may require proof of physical impairment that results from anatomical or physiological abnormalities which are demonstrable by medically acceptable clinical and laboratory diagnostic techniques.

### D. Documentation

Completed claims statements, a signed authorization for us to obtain information, and any other items we may reasonably require in support of a claim must be submitted at your expense. If the required documentation is not provided within 45 days after we mail our request, your claim may be denied.

### E. Investigation Of Claim

We may investigate your claim at any time.

At our expense, we may have you examined at reasonable intervals by specialists of our choice. We may deny or suspend LTD Benefits if you fail to attend an examination or cooperate with the examiner.

### F. Time Of Payment

We will pay LTD Benefits within 60 days after you satisfy Proof Of Loss.

LTD Benefits will be paid to you at the end of each month you qualify for them. LTD Benefits remaining unpaid at your death will be paid to the person(s) receiving the Survivors Benefit. If no Survivors Benefit is paid, the unpaid LTD Benefits will be paid to your estate.

### G. Notice Of Decision On Claim

We will evaluate your claim promptly after you file it. Within 45 days after we receive your claim we will send you: (a) a written decision on your claim; or (b) a notice that we are extending the period to decide your claim for 30 days. Before the end of this extension period we will send you: (a) a written decision on your claim; or (b) a notice that we are extending the period to decide your claim for an additional 30 days. If an extension is due to your failure to provide information necessary to decide the claim, the extended time period for deciding your claim will not begin until you provide the information or otherwise respond.

If we extend the period to decide your claim, we will notify you of the following: (a) the reasons for the extension; (b) when we expect to decide your claim; (c) an explanation of the standards on which entitlement to benefits is based; (d) the unresolved issues preventing a decision; and (e) any additional information we need to resolve those issues.

If we request additional information, you will have 45 days to provide the information. If you do not provide the requested information within 45 days, we may decide your claim based on the information we have received.

If we deny any part of your claim, you will receive a written notice of denial containing:

- a. The reasons for our decision.
- b. Reference to the parts of the Group Policy on which our decision is based.
- c. A description of any additional information needed to support your claim.
- d. Information concerning your right to a review of our decision.

### H. Review Procedure

If all or part of a claim is denied, you may request a review. You must request a review in writing within 180 days after receiving notice of the denial.

You may send us written comments or other items to support your claim. You may review and receive copies of any non-privileged information that is relevant to your request for review. There will be no charge for such copies. You may request the names of medical or vocational experts who provided advice to us about your claim.

The person conducting the review will be someone other than the person who denied the claim and will not be subordinate to that person. The person conducting the review will not give deference to the initial denial decision. If the denial was based on a medical judgement, the person conducting the review will consult with a qualified health care professional. This health care professional will be someone other than the person who made the original medical judgement and will not be subordinate to that person. Our review will include any written comments or other items you submit to support your claim.

We will review your claim promptly after we receive your request. Within 45 days after we receive your request for review we will send you: (a) a written decision on review; or (b) a notice that we are extending the review period for 45 days. If the extension is due to your failure to provide information necessary to decide the claim on review, the extended time period for review of your claim will not begin until you provide the information or otherwise respond.

If we extend the review period, we will notify you of the following: (a) the reasons for the extension; (b) when we expect to decide your claim on review; and (c) any additional information we need to decide your claim.

If we request additional information, you will have 45 days to provide the information. If you do not provide the requested information within 45 days, we may conclude our review of your claim based on the information we have received.

If we deny any part of your claim on review, you will receive a written notice of denial containing:

- a. The reasons for our decision.
- b. Reference to the parts of the Group Policy on which our decision is based.
- c. Information concerning your right to receive, free of charge, copies of non-privileged documents and records relevant to your claim.

#### I. Assignment

The rights and benefits under the Group Policy are not assignable.

(REV PUB WRDG) LT.CL.OT.2

### **ALLOCATION OF AUTHORITY**

Except for those functions which the Group Policy specifically reserves to the Policyholder or Employer, we have full and exclusive authority to control and manage the Group Policy, to administer claims, and to interpret the Group Policy and resolve all questions arising in the administration, interpretation, and application of the Group Policy.

Our authority includes, but is not limited to:

1. The right to resolve all matters when a review has been requested;
2. The right to establish and enforce rules and procedures for the administration of the Group Policy and any claim under it;
3. The right to determine:
  - a. Eligibility for insurance;
  - b. Entitlement to benefits;
  - c. The amount of benefits payable; and



- d. The sufficiency and the amount of information we may reasonably require to determine a., b., or c., above.

Subject to the review procedures of the Group Policy, any decision we make in the exercise of our authority is conclusive and binding.

LT.AL.OT.1

### **TIME LIMITS ON LEGAL ACTIONS**

No action at law or in equity may be brought until 60 days after you have given us Proof Of Loss. No such action may be brought more than three years after the earlier of:

1. The date we receive Proof Of Loss; and
2. The time within which Proof Of Loss is required to be given.

LT.TL.OT.1

### **INCONTESTABILITY PROVISIONS**

#### **A. Incontestability Of Insurance**

Any statement made to obtain insurance or to increase insurance is a representation and not a warranty.

No misrepresentation will be used to reduce or deny a claim or contest the validity of insurance unless:

1. The insurance would not have been approved if we had known the truth; and
2. We have given you or any other person claiming benefits a copy of the signed written instrument which contains the misrepresentation.

After insurance has been in effect for two years during the lifetime of the insured, we will not use a misrepresentation to reduce or deny the claim, unless it was a fraudulent misrepresentation.

#### **B. Incontestability Of The Group Policy**

Any statement made by the Policyholder or Employer to obtain the Group Policy is a representation and not a warranty.

No misrepresentation by the Policyholder or your Employer will be used to deny a claim or to deny the validity of the Group Policy unless:

1. The Group Policy would not have been issued if we had known the truth; and
2. We have given the Policyholder or Employer a copy of a written instrument signed by the Policyholder or Employer which contains the misrepresentation.

The validity of the Group Policy will not be contested after it has been in force for two years, except for nonpayment of premiums or fraudulent misrepresentations.

LT.IN.OT.1

### **CLERICAL ERROR, AGENCY, AND MISSTATEMENT**

#### **A. Clerical Error**

Clerical error by the Policyholder, your Employer, or their respective employees or representatives will not:

1. Cause a person to become insured.

2. Invalidate insurance under the Group Policy otherwise validly in force.
3. Continue insurance under the Group Policy otherwise validly terminated.

**B. Agency**

The Policyholder and your Employer act on their own behalf as your agent, and not as our agent. The Policyholder and your Employer have no authority to alter, expand or extend our liability or to waive, modify or compromise any defense or right we may have under the Group Policy.

**C. Misstatement Of Age**

If a person's age has been misstated, we will make an equitable adjustment of premiums, benefits, or both. The adjustment will be based on:

1. The amount of insurance based on the correct age; and
2. The difference between the premiums paid and the premiums which would have been paid if the age had been correctly stated.

LT.CE.OT.1

## **TERMINATION OR AMENDMENT OF THE GROUP POLICY**

The Group Policy may be terminated by us or the Policyholder according to its terms. It will terminate automatically for nonpayment of premium. The Policyholder may terminate the Group Policy in whole, and may terminate insurance for any class or group of Members, at any time by giving us written notice.

Benefits under the Group Policy are limited to its terms, including any valid amendment. No change or amendment will be valid unless it is approved in writing by one of our executive officers and given to the Policyholder for attachment to the Group Policy. If the terms of the certificate differ from the Group Policy, the terms stated in the Group Policy will govern. The Policyholder, your Employer, and their respective employees or representatives have no right or authority to change or amend the Group Policy or to waive any of its terms or provisions without our signed written approval.

We may change the Group Policy in whole or in part when any change or clarification in law or governmental regulation affects our obligations under the Group Policy, or with the Policyholder's consent.

Any such change or amendment of the Group Policy may apply to current or future Members or to any separate classes or groups of Members.

LT.TA.OT.1

## **DEFINITIONS**

**Benefit Waiting Period** means the period you must be continuously Disabled before LTD Benefits become payable. No LTD Benefits are payable for the Benefit Waiting Period. See **Coverage Features**.

**Contributory** means insurance is elective and Members pay all or part of the premium for insurance.

**CPI-W** means the Consumer Price Index for Urban Wage Earners and Clerical Workers published by the United States Department of Labor. If the CPI-W is discontinued or changed, we may use a comparable index. Where required, we will obtain prior state approval of the new index.

**Employer** means an employer (including approved affiliates and subsidiaries) for which coverage under the Group Policy is approved in writing by us.

**Group Policy** means the group LTD insurance policy issued by us to the Policyholder and identified by the Group Policy Number.

Indexed Predisability Earnings means your Predisability Earnings adjusted by the rate of increase in the CPI-W. During your first year of Disability, your Indexed Predisability Earnings are the same as your Predisability Earnings. Thereafter, your Indexed Predisability Earnings are determined on each anniversary of your Disability by increasing the previous year's Indexed Predisability Earnings by the rate of increase in the CPI-W for the prior calendar year. The maximum adjustment in any year is 10%. Your Indexed Predisability Earnings will not decrease, even if the CPI-W decreases.

Injury means an injury to the body.

L.L.C. Owner-Employee means an individual who owns an equity interest in an Employer and is actively employed in the conduct of the Employer's business.

LTD Benefit means the monthly benefit payable to you under the terms of the Group Policy.

Maximum Benefit Period means the longest period for which LTD Benefits are payable for any one period of continuous Disability, whether from one or more causes. It begins at the end of the Benefit Waiting Period. No LTD Benefits are payable after the end of the Maximum Benefit Period, even if you are still Disabled. See **Coverage Features**.

Noncontributory means (a) insurance is nonelective and the Policyholder or Employer pay the entire premium for insurance; or (b) the Policyholder or Employer require all eligible Members to have insurance and to pay all or part of the premium for insurance.

P.C. Partner means the sole active employee and majority shareholder of a professional corporation in partnership with the Policyholder.

Physical Disease means a physical disease entity or process that produces structural or functional changes in the body as diagnosed by a Physician.

Physician means a licensed M.D. or D.O., acting within the scope of the license. Physician does not include you or your spouse, or the brother, sister, parent, or child of either you or your spouse.

Pregnancy means your pregnancy, childbirth, or related medical conditions, including complications of pregnancy.

Prior Plan means your Employer's group long term disability insurance plan in effect on the day before the effective date of your Employer's participation under the Group Policy and which is replaced by coverage under the Group Policy.

LT.DF.OT.1

## POLICYHOLDER PROVISIONS

### A. Premiums

The premium due on each Premium Due Date is the sum of the premiums for all persons then insured. Premium Rates are shown in **Coverage Features**.

### B. Contributions From Members

The Policyholder determines the amount, if any, of each Member's contribution toward the cost of insurance.

### C. Changes In Premium Rates

We may change Premium Rates whenever:

1. A change or clarification in law or governmental regulation affects the amount payable under the Group Policy. Any such change in Premium Rates will reflect only the change in our obligations.

2. Factors material to underwriting the risk we assumed under the Group Policy with respect to an Employer, including, but not limited to, number of persons insured, age, Predisability Earnings, gender, and occupational classification, changes by 25% or more.
3. The premium contribution arrangement for Members is changed or varies from that stated in the Group Policy when issued or last renewed.
4. We and the Policyholder or the Employer mutually agree to change Premium Rates.

Except as provided above, Premium Rates will not be changed during the Initial Rate Guarantee Period shown in **Coverage Features**. Thereafter, except as provided above, we may change Premium Rates upon 31 days advance written notice to the Policyholder. Any such change in Premium Rates may be made effective on any Premium Due Date, but no such change will be made more than once in any contract year. Contract years are successive 12 month periods computed from the end of the Initial Rate Guarantee Period.

#### D. Payment Of Premiums

All premiums are due on the Premium Due Dates shown in **Coverage Features**.

Each premium is payable on or before its Premium Due Date directly to us at our home office. The payment of each premium by the Policyholder as it becomes due will maintain the Group Policy in force until the next Premium Due Date.

#### E. Grace Period And Termination For Nonpayment

If a premium is not paid on or before its Premium Due Date, it may be paid during the following Grace Period of 31 days. The Group Policy or an Employer's coverage under the Group Policy will remain in force during the Grace Period.

If the premium is not paid during the Grace Period, the Group Policy will terminate automatically at the end of the Grace Period.

The Policyholder is liable for premium for coverage during the Grace Period. We may charge interest at the legal rate for any premium which is not paid during the Grace Period, beginning with the first day after the Grace Period.

#### F. Termination For Other Reasons

The Policyholder may terminate the Group Policy by giving us written notice. The effective date of termination will be the later of:

1. The date stated in the notice; and
2. The date we receive the notice.

We may terminate the Group Policy as follows:

1. On any Premium Due Date if the number of persons insured is less than the Minimum Participation shown in **Coverage Features**.
2. On any Premium Due Date if we determine that the Policyholder has failed to promptly furnish any necessary information requested by us, or has failed to perform any other obligations relating to the Group Policy.

The minimum advance notice of termination by us is 31 days.

#### G. Premium Adjustments

Premium adjustments involving a return of unearned premiums to the Policyholder will be limited to the 12 months just before the date we receive a request for premium adjustment.

**H. Certificates**

We will issue certificates to the Policyholder showing the coverage under the Group Policy. The Policyholder will distribute a certificate to each insured Member. If the terms of the certificate differ from the Group Policy, the terms stated in the Group Policy will govern.

**I. Records And Reports**

The Policyholder will furnish on our forms all information reasonably necessary to administer the Group Policy. We have the right at all reasonable times to inspect the payroll and other records of the Policyholder which relate to insurance under the Group Policy.

**J. Agency And Release**

Individuals selected by the Policyholder or by any Employer to secure coverage under the Group Policy or to perform their administrative function under it, represent and act on behalf of the person selecting them, and do not represent or act on behalf of Standard. The Policyholder, Employer and such individuals have no authority to alter, expand or extend our liability or to waive, modify or compromise any defense or right we may have under the Group Policy. The Policyholder and each Employer hereby release, hold harmless and indemnify Standard from any liability arising from or related to any negligence, error, omission, misrepresentation or dishonesty of any of them or their representatives, agents or employees.

**K. Notice Of Suit**

The Policyholder or Employer shall promptly give us written notice of any lawsuit or other legal proceedings arising under the Group Policy.

**L. Entire Contract, Changes**

The Group Policy and the applications of the Policyholder constitute the entire contract between the parties. A copy of the Policyholder's application is attached to the Group Policy when issued.

The Group Policy may be changed in whole or in part. No change in the Group Policy will be valid unless it is approved in writing by one of our executive officers and given to the Policyholder for attachment to the Group Policy. No agent has authority to change the Group Policy, or to waive any of their provisions.

**M. Effect On Workers' Compensation, State Disability Insurance**

The coverage provided under the Group Policy is not a substitute for coverage under a workers' compensation or state disability income benefit law and does not relieve the Employer of any obligation to provide such coverage.

(NO DIV) LT.PH.OT.1

**AK/LTDP2000**



# Eligibility Feed Specifications

## Customer Name v1.0

**Effective Date:** [Click here to enter a date.](#)

Standard Insurance Company (The Standard) uses eligibility feeds containing employee information in support of our telephonic intake, absence management and claim adjudication processes. Data from these feeds contribute to improve employee experience, reduce the burden on employer Human Resources departments, and make The Standard's administration of your plans more efficient.

This document is intended to provide the following information:

- Feed implementation schedule and critical path milestones that must be met to ensure the feed is ready on your effective date
- Feed and delivery specifications, including file transmission method, file naming convention, and other logistical information

## Ensuring a Successful Feed Implementation

The most important factors to successfully implementing a data feed are as follows:

- Prior to initial discussions about the feed, resources with knowledge of the Policyholder's source system should review what information is available to provide on the feed.
- Both business decision makers and technical resources should be available for the data specifications discussions.
- After test files are sent, resources at the Policyholder should remain available to make necessary modifications to match the data feed specifications and re-send test files as necessary.
- The milestones reflected on the timeline below are critical to ensuring a successful implementation for the eligibility file feed. Significant delays from the target dates may result in a delayed file feed implementation date.
- Any processing of additional files or use of another format than those specified below may add complexity, time and cost to the feed implementation schedule.

## Implementation Timeline

Activities	Deliverable from Policyholder	Due Date
<b>Feed and Data Specifications</b> <i>Determine data included, how it is packaged, and method of transfer</i>	The feed discussions end with a formal sign off of specifications via email. When a TPA is involved, both you and your TPA must sign off.	<a href="#">Click here to enter a date.</a>
<b>Testing Phase I: Test File #1</b> <i>Test accuracy of the specs finalized during specifications, and mapping file</i>	File generated from your test system including all possible data variations we could expect in the production data file. NOTE: The due date is for a test file that has <u>no known issues</u> . The first test files should be sent earlier than this date, i.e. as soon as they are ready for The Standard to review.	<a href="#">Click here to enter a date.</a>
<b>Testing Phase II: Test File #2</b> <i>Transfer the file electronically to test the new connection and ensure the full data set is correctly processed through the system</i>	File generated from your test system including all possible data variations we could expect in the production data file. NOTE: This is a <u>production-like</u> test file.	<a href="#">Click here to enter a date.</a>
<b>Testing Phase III: Production File #1</b> <i>Final verification of production file, includes end user validation that data will support services offered</i>	Full file generated from your production system. NOTE: This is the Production Preview file.	<a href="#">Click here to enter a date.</a>
<b>Final Production File</b> <i>Final file sent to be loaded into production</i>	Full file generated from your production system to be loaded into The Standard production system no later than one week before the go live date.	<a href="#">Click here to enter a date.</a>
<b>Go Live Date</b>	Eligibility file is in place and ready for use.	<a href="#">Click here to</a>

		enter a date.
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## Resources

### The Standard

Name	Role	Contact Information
Choose an item.	Implementation Manager	<b>Phone:</b> Choose an item. <b>Email:</b> Choose an item.
Choose an item.	Technical Implementation Lead	<b>Phone:</b> Choose an item. <b>Email:</b> Choose an item.
Click here to enter text.	Account Manager	<b>Phone:</b> Click here to enter text. <b>Email:</b> Click here to enter text.

### Customer Name v1.0

Name	Role	Contact Information
Click here to enter text.	Click here to enter text.	<b>Phone:</b> Click here to enter text. <b>Email:</b> Click here to enter text.
Click here to enter text.	Click here to enter text.	<b>Phone:</b> Click here to enter text. <b>Email:</b> Click here to enter text.
Click here to enter text.	Click here to enter text.	<b>Phone:</b> Click here to enter text. <b>Email:</b> Click here to enter text.

## Revision History

Date/Version	Section	Description of Revision	Author
	v1.0	Document	Initial draft

## Outstanding Items

The following items are outstanding and could impact the file feed requirements:

#	Subject Area	Description	Assigned To	Current State of Resolution	Status
1					
2					
3					

**Eligibility Feed Specifications Document  
Customer Name v1.0**

## **Feed and Delivery Specifications**

---

### **Feed Specifications**

- **File Name:** shortname\_groupID\_YYYYMMDD.csv.pgp
- **File Format:** ☒ Pipe (|) Delimited (default)    ☐ Fixed Width
- **File Content:**

Please note who will be included on file:

☐ All Employees\*                      ☐ All Enrolled Employees

\*Sending all employees is required for Absence Management feeds, and should include part time and temporary employees.

Ongoing after the initial full file load:

Specify the number of times employees that terminate employment will be on the file:

☐ \_\_ times (min 2 times)

☐ \_\_ days (min 30 days)

☐ Other: Click here to enter text.

Specify the type of file that will be sent.

☒ Full File (default)                      ☐ CDC (changes/updates only)

### **Delivery Specifications**

- **File Method:** ☐ SFTP                      ☐ FTP, with PGP encryption
- **File Frequency:**

☐ Weekly                      ☐ Bi-Weekly

☐ Monthly                      ☐ Other: Click here to enter text.
- **Scheduled Day and Time:**

We require that the file be sent on a regular schedule:

Click here to enter text.
- **Data Extraction Type:** ☐ Manual                      ☐ Automated/Scheduled
- **Delivery Type:** ☐ Manual                      ☐ Automated/Scheduled

### **Additional Information**

- **Source System:**

☐ HRIS                      ☐ Payroll

☐ Enrollment                      ☐ Time Tracking

Name of System: Click here to enter text.
  - **Provided By:** ☐ Customer                      ☐ Customer's 3rd Party:
- Click here to enter text.



## Data Specifications

### File Layout - Instructions

- Blank Positions

If data will not be included in the file for any of the optional data attributes, the field must be included as a blank position (two delimiters next to each other for pipe delimited files). A blank position is indicated with **<>** in column 1 in the file layout below.

- Feed will contain a header row (Column Headings) ☐ Yes ☒ No (default)
- If Domain Values column is populated, values must exactly match one or more of the values in that column, unless otherwise indicated.
- Required Data Format
 

Dates	YYYYMMDD
Currency	9999999999.99
Phone Numbers	9999999999

### Customer Specific File Notes

- .

### Minimum Data Required

Data in this section includes basic information about the employee and their employment.

Field	Include In File	Attribute	Comments/Instruction for Policyholder	Format and Data Rule(s)	Domain (Expected) Values	Definition of Value
01	Required	Organization ID	Hard code value: "<>"	Not Null		Unique identifier provided by The Standard.
02	Required	Employer ID	Hard code value: "0"	Not Null		Unique identifier for the Employer provided by the Standard.
03	Required	Unique Employee ID Type	Hard code value: "<>"	Not Null	SSN EID	Indicator of whether the SSN or Employee ID is the unique key for this employee record.

Field	Include In File	Attribute	Comments/Instruction for Policyholder	Format and Data Rule(s)	Domain (Expected) Values	Definition of Value
04	<input type="checkbox"/>	SSN		Format = 999999999 Not Null if Record Unique ID		Either this field or the Employee ID field is required, and will be the primary <u>unique</u> key for the employee. NOTE: SSNs cannot be duplicated on unique Employee IDs. <b>Required for Absence Management with STD</b>
05	<input type="checkbox"/>	Employee ID		Not Null if Record Unique ID		Either this field or the SSN field is required, and will be the primary <u>unique</u> key for the employee. Not Null if Record Unique ID. NOTE: SSNs cannot be duplicated on unique Employee IDs. <b>Required for Absence Management.</b>
06	Required	First Name		Not Null		Employee first name.
07	<input type="checkbox"/>	Middle Name				Employee middle name/initial.
08	Required	Last Name		Not Null		Employee last name.
09	<input type="checkbox"/>	Name Suffix		If not null, must match Domain Values	Generational: I II III IV JR SR	Employee name suffix, if applicable.
10	Required	Date of Birth		Not Null Format = YYYYMMDD		Employee date of birth.
11	<input type="checkbox"/>	Date of Death		Format = YYYYMMDD		Employee date of death.
12	Required	Gender		Not Null Must match Domain Values	M F U	Employee gender.
13	<input type="checkbox"/>	Marital Status		If not null, must match Domain Values	Common Law Divorced Domestic Partner Married Separated Single Unknown Widowed	Employee marital status.  <b>May be required for Absence Management.</b> For example, if applying rule that spouses have to share leave time.
14	Required	Address Line 1		Not Null		Employee home address.
15	<input type="checkbox"/>	Address Line 2				Employee home address, line 2 if needed.
16	<input type="checkbox"/>	Address Line 3				Employee home address, line 3 if needed.

Field	Include In File	Attribute	Comments/Instruction for Policyholder	Format and Data Rule(s)	Domain (Expected) Values	Definition of Value
17	Required	City		Not Null		City associated with employee home address.
18	Required	State/Province		Not Null for USA		State/Province (according to ISO standards) associated with employee home address.
19	Required	Postal Code		Not Null		Postal code associated with employee home address.
20	Required	Country		Not Null		Country code (according to ISO standards) associated with employee home address.
21	Required	Work State		Not Null		State/Province where an employee or member works; this may be different from the state they live in.  Note: Work state determines state-specific correspondence.
22	Required	Most Recent Hire Date		Not Null Format = YYYYMMDD		Most current date of hire for employee.  Note: Used for eligibility determination.
23	<input type="checkbox"/>	Original Hire Date		Format = YYYYMMDD		Date the employee was first employed by the client.  <b>Required for Absence Management when Adjusted Hire Date is not available</b>
24	<input type="checkbox"/>	Adjusted Hire Date		Format = YYYYMMDD		Current hire date adjusted to include any previous employment. Often called 'Credited Service Date'  <b>Required for Absence Management</b>
25	Required	Employment Termination Date		Format = YYYYMMDD		Date employment is terminated.
26	<input type="checkbox"/>	Non-Work Phone		Format = 9999999999		Telephone number where an employee or member can be reached after normal business hours.
27	<input type="checkbox"/>	Email Address				Employee email address.  <b>Required for Absence Management for employees who are Corporate Users, HR Users, or Supervisors so email notifications can be sent from the system.</b>

### Advanced Eligibility Determinations Data Specifications

Data in this section will reduce the administrative burden on the employer and allow for faster claim decisions. Therefore, some fields in this section may be required based on the contract language. If the data cannot be provided on the feed, it will be gathered through outreach to the employer.

Field	Include In File	Attribute	Comments/Instruction for Policyholder	Format and Data Rule(s)	Domain {Expected} Values	Definition of Value
28	<input type="checkbox"/>	Job Title				Employee job title.  May be required for Absence Management if administering fitness for duty.
29	<input type="checkbox"/>	Employment Status		If not null, must match Domain Values	Active Active Military – Overseas Active Military – USA Deceased Inactive Leave of Absence Leave of Absence FMLA Leave of Absence Military Paid Leave of Absence Retired Suspended Temporary Layoff Terminated Unpaid Leave of Absence	Employee's state of employment.
30	<input type="checkbox"/>	Scheduled Work Hours				Hours an employee works during the period specified in the Scheduled Work Hours Frequency specified (Field 31).
31	<input type="checkbox"/>	Scheduled Work Hours Frequency		If not null, must match Domain Values	Annual Weekly Monthly Daily Bi-Weekly Semi-Monthly Irregular	Period of time an employee works the Scheduled Work Hours (field 30).
32	<input type="checkbox"/>	Employee Pay Type		If not null, must match Domain Values	Hourly Salary Commission Salary + OT	The way an employee receives their pay.
33	<input type="checkbox"/>	Full/Part Time		If not null, must match Domain Values	Full Time Part Time F P	Full/Part time status of an employee.

Field	Include In File	Attribute	Comments/Instruction for Policyholder	Format and Data Rule(s)	Domain (Expected) Values	Definition of Value
34	<input type="checkbox"/>	Exempt Status		If not null, must match Domain Values	Exempt Non-Exempt Y N	Exempt status of an employee.
35	<input type="checkbox"/>	Employment Type		If not null, must match Domain Values	Regular Temporary Seasonal	Type of employee.
36	<input type="checkbox"/>	Union Flag		If not null, must match Domain Values	Y N	Flag indicating employee affiliation with a union.
37	<input type="checkbox"/>	Union Name				Name of union with which employee or member is affiliated.
38	<input type="checkbox"/>	User Defined 1				Used for additional information, if needed.
39	<input type="checkbox"/>	User Defined 2				Used for additional information, if needed.
40	<input type="checkbox"/>	User Defined 3				Used for additional information, if needed.
41	<input type="checkbox"/>	User Defined 4				Used for additional information, if needed.
42	<input type="checkbox"/>	User Defined 5				Used for additional information, if needed.

### Claim Outreach Data Specifications

Data in this section includes the contact information for the Human Resources personnel responsible for completing the employer section of the claim form. This data supports the **telephonic claim intake with outreach model**.

Field	Include In File	Attribute	Comments/Instruction for Policyholder	Format and Data Rule(s)	Domain (Expected) Values	Definition of Value
43	Required	HR Contact Recipient	Hard code value that will display on the Employer Notification email (Attention: <>).			Name of individual or group receiving Employer Notification.
44	Required	HR Contact Email Address	Hard code value that Employer Notification email should be sent to.			Email address or alias that will receive the Employer Notification.  Note: This value can be specific to each employee or the same for all employees.
45	<input type="checkbox"/>	HR Contact Work Phone		Format = 9999999999		HR contact phone number.
46	<input type="checkbox"/>	HR Contact Work Address 1				HR Contact work address.
47	<input type="checkbox"/>	HR Contact Work Address 2				HR Contact work address 2, if needed.
48	<input type="checkbox"/>	HR Contact Work City				HR Contact work city.
49	<input type="checkbox"/>	HR Contact Work State				HR Contact work state.

Field	Include In File	Attribute	Comments/Instruction for Policyholder	Format and Data Rule(s)	Domain (Expected) Values	Definition of Value
50	<input type="checkbox"/>	HR Contact Work Postal Code				HR Contact work postal code.

### Claim Reporting

Only needed if reports will be broken out in AdminEASE (STD and LTD for Claim Intake and LTD for Absence Management).  
Policyholder defined reporting categories:

Field	Include In File	Attribute	Comments/Instruction for Policyholder	Format and Data Rule(s)	Domain (Expected) Values	Definition of Value
51	<input type="checkbox"/>	Reporting Category 1				Subsidiary name, division name, department name, work location, location code, etc that will be used to break out reports in AdminEASE.
52	<input type="checkbox"/>	Reporting Category 2				Subsidiary name, division name, department name, work location, location code, etc that will be used to break out reports in AdminEASE.
53	<input type="checkbox"/>	Reporting Category 3				Subsidiary name, division name, department name, work location, location code, etc that will be used to break out reports in AdminEASE.
54	<input type="checkbox"/>	Reporting Category 4				Subsidiary name, division name, department name, work location, location code, etc that will be used to break out reports in AdminEASE.
55	<input type="checkbox"/>	Reporting Category 5				Subsidiary name, division name, department name, work location, location code, etc that will be used to break out reports in AdminEASE.

### Coverage Details

The following fields define products and services the employee and their dependents have either elected (voluntary) or are provided by the policyholder.

Field	Include In File	Attribute	Comments/Instruction for Policyholder	Format and Data Rule(s)	Domain (Expected) Values	Definition of Value
56	<input type="checkbox"/>	STD Policy	Hard code value: "<>"	Format = 999999		STD Policy Number provided by The Standard.
57	<input type="checkbox"/>	STD Plan	Hard code value: "<>"			STD Plan Code provided by The Standard.
58	<input type="checkbox"/>	STD Product	Hard code value: "ST"	ST = Short Term Disability		STD Product Code provided by The Standard.
59	<input type="checkbox"/>	STD Employer Plan Code				Employer Plan Code that would uniquely identify the STD product.

Field	Include In File	Attribute	Comments/Instruction for Policyholder	Format and Data Rule(s)	Domain {Expected} Values	Definition of Value
60	<input type="checkbox"/>	STD Benefit Waiting Period		Number		Employee elected waiting period.
61	<input type="checkbox"/>	STD Benefit Percent				Employee elected percent of benefit.
62	<input type="checkbox"/>	STD Other Option				If needed, this would be the class, earnings multiplier, coverage amount, etc...
63	<input type="checkbox"/>	STD AM Class				Unique class number provided by The Standard for use by the Absence Management System.
64	<input type="checkbox"/>	STD Effective Date		Format = YYYYMMDD		Required when employee has STD coverage. This is the date the coverage begins. Populate only when a coverage becomes effective for an employee.
65	<input type="checkbox"/>	STD Termination Date		Format = YYYYMMDD		The last day the STD coverage is in effect; the coverage terminates at the end of this day.  Termination Date is required in order for us to end the coverage in our system.  Note: If the coverage was never in force, the Termination Date should be the same as the Effective Date or one day prior.
66	<input type="checkbox"/>	LTD Policy	Hard code value: "<>"	Format = 999999		LTD Policy Number provided by The Standard.
67	<input type="checkbox"/>	LTD Plan	Hard code value: "<>"			LTD Plan Code provided by The Standard.
68	<input type="checkbox"/>	LTD Product	Hard code value: "LT"	LT = Long Term Disability		LTD Product Code provided by The Standard.
69	<input type="checkbox"/>	LTD Employer Plan Code				Employer Plan Code that would uniquely identify the LTD product.
70	<input type="checkbox"/>	LTD Benefit Waiting Period		Number		Employee elected waiting period.
71	<input type="checkbox"/>	LTD Benefit Percent				Employee elected percent of benefit.
72	<input type="checkbox"/>	LTD Selected Amount		Number		Employee elected benefit amount.
73	<input type="checkbox"/>	LTD Other Option				If needed, this would be the class, earnings multiplier, coverage amount, etc...
74	<input type="checkbox"/>	LTD AM Class				Unique class number provided by The Standard for use by the Absence Management System.
75	<input type="checkbox"/>	LTD Effective Date		Format = YYYYMMDD		Required when employee has LTD coverage. This is the date the coverage begins. Populate only when a coverage becomes effective for an employee.

Field	Include In File	Attribute	Comments/Instruction for Policyholder	Format and Data Rule(s)	Domain {Expected} Values	Definition of Value
76	<input type="checkbox"/>	LTD Termination Date		Format = YYYYMMDD		The last day the LTD coverage is in effect; the coverage terminates at the end of this day.  <b>Termination Date is required in order for us to end the coverage in our system.</b>  Note: If the coverage was never in force, the Termination Date should be the same as the Effective Date or one day prior.
77	<input type="checkbox"/>	LTD Termination Reason				Reason the LTD coverage terminated.  Note: May be required for portability and conversion, if more robust capabilities are desired.
78	<input type="checkbox"/>	[Other Disability Coverage] Policy	Hard code value: "<>"	Format = 999999		Policy Number provided by The Standard.
79	<input type="checkbox"/>	[Other Disability Coverage] Plan	Hard code value: "<>"			Plan Code provided by The Standard.
80	<input type="checkbox"/>	[Other Disability Coverage] Product	Hard code value: "<>"			Product Code provided by The Standard.
81	<input type="checkbox"/>	[Other Disability Coverage] Option 1				If needed, this would be the class, earnings multiplier, coverage amount, benefit percent, etc...
82	<input type="checkbox"/>	[Other Disability Coverage] Option 2				If needed, this would be the class, earnings multiplier, coverage amounts, benefit percent etc...
83	<input type="checkbox"/>	[Other Disability Coverage] Effective Date		Format = YYYYMMDD		Required when employee has coverage. This is the date the coverage begins. Populate only when a coverage becomes effective for an employee.
84	<input type="checkbox"/>	[Other Disability Coverage] Termination Date		Format = YYYYMMDD		The last day the coverage is in effect; the coverage terminates at the end of this day.  <b>Termination Date is required in order for us to end the coverage in our system.</b>  Note: If the coverage was never in force, the Termination Date should be the same as the Effective Date or one day prior.
85	<input type="checkbox"/>	Basic Life Policy	Hard code value: "<>"	Format = 999999		Policy Number provided by The Standard.



Field	Include In File	Attribute	Comments/Instruction for Policyholder	Format and Data Rule(s)	Domain {Expected} Values	Definition of Value
86	<input type="checkbox"/>	Basic Life Plan	Hard code value: "A"			Plan Code provided by The Standard.
87	<input type="checkbox"/>	Basic Life Product	Hard code value: "BL"	BL = Basic Life		Product Code provided by The Standard.
88	<input type="checkbox"/>	Basic Life Amount		Number		Amount of Basic Life purchased.
89	<input type="checkbox"/>	Basic Life Other Option				If needed, this would be the class, earnings multiplier, coverage amount, benefit percent, etc...
90	<input type="checkbox"/>	Basic Life Effective Date		Format = YYYYMMDD		Required when employee has Basic Life coverage. This is the date the coverage begins. Populate only when a coverage becomes effective for an employee.
91	<input type="checkbox"/>	Basic Life Termination Date		Format = YYYYMMDD		The last day the Basic Life coverage is in effect; the coverage terminates at the end of this day.  <b>Termination Date is required in order for us to end the coverage in our system.</b>  Note: If the coverage was never in force, the Termination Date should be the same as the Effective Date or one day prior.
92	<input type="checkbox"/>	Basic Life Termination Reason				Reason the coverage terminated.  Note: May be required for portability and conversion, if more robust capabilities are desired.
93	<input type="checkbox"/>	Basic AD&D Policy	Hard code value: "<>"	Format = 999999		Policy Number provided by The Standard.
94	<input type="checkbox"/>	Basic AD&D Plan	Hard code value: "A"			Plan Code provided by The Standard.
95	<input type="checkbox"/>	Basic AD&D Product	Hard code value: "BA"	BA = Basic AD&D		Product Code provided by The Standard.
96	<input type="checkbox"/>	Basic AD&D Other Option				Use this field, if the Basic AD&D amount is called out separately from Basic Life, to capture the unique class, earnings multiplier, coverage amounts, benefit percent etc...
97	<input type="checkbox"/>	Basic AD&D Effective Date		Format = YYYYMMDD		Required when employee has Basic AD&D coverage. This is the date the coverage begins. Populate only when a coverage becomes effective for an employee.

Field	Include In File	Attribute	Comments/Instruction for Policyholder	Format and Data Rule(s)	Domain {Expected} Values	Definition of Value
98	<input type="checkbox"/>	Basic AD&D Termination Date		Format = YYYYMMDD		<p>The last day the Basic AD&amp;D coverage is in effect; the coverage terminates at the end of this day.</p> <p><b>Termination Date is required in order for us to end the coverage in our system.</b></p> <p>Note: If the coverage was never in force, the Termination Date should be the same as the Effective Date or one day prior.</p>
99	<input type="checkbox"/>	Additional Life Policy	Hard code value: "<>"	Format = 999999		Policy Number provided by The Standard.
100	<input type="checkbox"/>	Additional Life Plan	Hard code value: "A"			Plan Code provided by The Standard.
101	<input type="checkbox"/>	Additional Life Product	Hard code value: "AL"	AL = Additional Life		Product Code provided by The Standard.
102	<input type="checkbox"/>	Additional Life Amount	Specify the amount selected: "<>", "<>", or "<>"	Number		Employee elected benefit amount.
103	<input type="checkbox"/>	Additional Life Earnings Multiplier	Specify the earnings multiplier selected: "<>", "<>", or "<>"			Employee elected earnings multiplier.
104	<input type="checkbox"/>	Additional Life Other Option				If needed, this would be the class, benefit percent, etc...
105	<input type="checkbox"/>	Additional Life Effective Date		Format = YYYYMMDD		Required when employee has Additional Life coverage. This is the date the coverage begins. Populate only when a coverage becomes effective for an employee.
106	<input type="checkbox"/>	Additional Life Termination Date		Format = YYYYMMDD		<p>The last day the Additional Life coverage is in effect; the coverage terminates at the end of this day.</p> <p><b>Termination Date is required in order for us to end the coverage in our system.</b></p> <p>Note: If the coverage was never in force, the Termination Date should be the same as the Effective Date or one day prior.</p>
107	<input type="checkbox"/>	Additional AD&D Policy	Hard code value: "<>"	Format = 999999		Policy Number provided by The Standard.
108	<input type="checkbox"/>	Additional AD&D Plan	Hard code value: "A"			Plan Code provided by The Standard.
109	<input type="checkbox"/>	Additional AD&D Product	Hard code value: "AA"	AA = Additional AD&D		Product Code provided by The Standard.
110	<input type="checkbox"/>	Additional AD&D Amount	Specify the amount selected: "<>", "<>", or "<>"			Employee elected benefit amount.

Field	Include In File	Attribute	Comments/Instruction for Policyholder	Format and Data Rule(s)	Domain {Expected} Values	Definition of Value
111	<input type="checkbox"/>	Additional AD&D Earnings Multiplier	Specify the earnings multiplier selected: "<>", "<>", or "<>"	Number		Employee elected earnings multiplier.
112	<input type="checkbox"/>	Additional AD&D Other Option				If needed, this would be the class, benefit percent, etc...
113	<input type="checkbox"/>	Additional AD&D Effective Date		Format = YYYYMMDD		Required when employee has Additional AD&D coverage. This is the date the coverage begins. Populate only when a coverage becomes effective for an employee.
114	<input type="checkbox"/>	Additional AD&D Termination Date		Format = YYYYMMDD		The last day the Additional AD&D coverage is in effect; the coverage terminates at the end of this day.  <b>Termination Date is required in order for us to end the coverage in our system.</b>  Note: If the coverage was never in force, the Termination Date should be the same as the Effective Date or one day prior.
115	<input type="checkbox"/>	Spouse Life Policy	Hard code value: "<>"	Format = 999999		Policy Number provided by The Standard.
116	<input type="checkbox"/>	Spouse Life Plan	Hard code value: "A"			Plan Code provided by The Standard.
117	<input type="checkbox"/>	Spouse Life Product	Hard code value: "XSL"	XSL = Spouse Life		Product Code provided by The Standard.
118	<input type="checkbox"/>	Spouse Life Amount	Specify the amount selected: "<>", "<>", or "<>"	Number		Spouse elected benefit amount.
119	<input type="checkbox"/>	Spouse Life Other Option				If needed, this would be the class, benefit percent, earnings multiplier, etc...
120	<input type="checkbox"/>	Spouse Life Effective Date		Format = YYYYMMDD		Required when employee's spouse has coverage. This is the date the coverage begins. Populate only when a coverage becomes effective.
121	<input type="checkbox"/>	Spouse Life Termination Date		Format = YYYYMMDD		The last day the coverage is in effect; the coverage terminates at the end of this day.  <b>Termination Date is required in order for us to end the coverage in our system.</b>  Note: If the coverage was never in force, the Termination Date should be the same as the Effective Date or one day prior.
122	<input type="checkbox"/>	Child Life Policy	Hard code value: "<>"	Format = 999999		Policy Number provided by The Standard.

Field	Include In File	Attribute	Comments/Instruction for Policyholder	Format and Data Rule(s)	Domain {Expected} Values	Definition of Value
123	<input type="checkbox"/>	Child Life Plan	Hard code value: "A"			Plan Code provided by The Standard.
124	<input type="checkbox"/>	Child Life Product	Hard code value: "XCL"	XCL = Child Life		Product Code provided by The Standard.
125	<input type="checkbox"/>	Child Life Amount	Specify the amount selected: "<>", "<>", or "<>"	Number		Child elected benefit amount.
126	<input type="checkbox"/>	Child Life Other Option				If needed, this would be the class, benefit percent, earnings multiplier, etc...
127	<input type="checkbox"/>	Child Life Effective Date		Format = YYYYMMDD		Required when employee's child has coverage. This is the date the coverage begins. Populate only when a coverage becomes effective for an employee.
128	<input type="checkbox"/>	Child Life Termination Date		Format = YYYYMMDD		The last day the coverage is in effect; the coverage terminates at the end of this day.  Termination Date is required in order for us to end the coverage in our system.  Note: If the coverage was never in force, the Termination Date should be the same as the Effective Date or one day prior.
129	<input type="checkbox"/>	[Other Life 1] Policy	Hard code value: "<>"	Format = 999999		Policy Number provided by The Standard.
130	<input type="checkbox"/>	[Other Life 1] Plan	Hard code value: "A"			Plan Code provided by The Standard.
131	<input type="checkbox"/>	[Other Life 1] Product	Hard code value: "<>"			Product Code provided by The Standard.
132	<input type="checkbox"/>	[Other Life 1] Option 1				If needed, this would be the class, earnings multiplier, coverage amount, benefit percent, etc...
133	<input type="checkbox"/>	[Other Life 1] Option 2				If needed, this would be the class, earnings multiplier, coverage amounts, benefit percent etc...
134	<input type="checkbox"/>	[Other Life 1] Effective Date		Format = YYYYMMDD		Required when employee has coverage. This is the date the coverage begins. Populate only when a coverage becomes effective for an employee.

Field	Include In File	Attribute	Comments/Instruction for Policyholder	Format and Data Rule(s)	Domain (Expected) Values	Definition of Value
135	<input type="checkbox"/>	[Other Life 1] Termination Date		Format = YYYYMMDD		The last day the coverage is in effect; the coverage terminates at the end of this day.  <b>Termination Date is required in order for us to end the coverage in our system.</b>  Note: If the coverage was never in force, the Termination Date should be the same as the Effective Date or one day prior.
136	<input type="checkbox"/>	[Other Life 2] Policy	Hard code value: "<>"	Format = 999999		Policy Number provided by The Standard.
137	<input type="checkbox"/>	[Other Life 2] Plan	Hard code value: "A"			Plan Code provided by The Standard.
138	<input type="checkbox"/>	[Other Life 2] Product	Hard code value: "<>"			Product Code provided by The Standard.
139	<input type="checkbox"/>	[Other Life 2] Option 1				If needed, this would be the class, earnings multiplier, coverage amount, benefit percent, etc...
140	<input type="checkbox"/>	[Other Life 2] Option 2				If needed, this would be the class, earnings multiplier, coverage amounts, benefit percent etc...
141	<input type="checkbox"/>	[Other Life 2] Effective Date		Format = YYYYMMDD		Required when employee has coverage. This is the date the coverage begins. Populate only when a coverage becomes effective for an employee.
142	<input type="checkbox"/>	[Other Life 2] Termination Date		Format = YYYYMMDD		The last day the coverage is in effect; the coverage terminates at the end of this day.  <b>Termination Date is required in order for us to end the coverage in our system.</b>  Note: If the coverage was never in force, the Termination Date should be the same as the Effective Date or one day prior.
143	<input type="checkbox"/>	[Other Coverage 1] Policy	Hard code value: "<>"	Format = 999999		Policy Number provided by The Standard.
144	<input type="checkbox"/>	[Other Coverage 1] Plan	Hard code value: "<>"			Plan Code provided by The Standard.
145	<input type="checkbox"/>	[Other Coverage 1] Product	Hard code value: "SD"	SD = NJ TDB		Product Code provided by The Standard.
146	<input type="checkbox"/>	[Other Coverage 1] Option 1	N/A for SD NJ TDB			If needed, this would be the class, earnings multiplier, coverage amount, benefit percent, etc...

Field	Include In File	Attribute	Comments/Instruction for Policyholder	Format and Data Rule(s)	Domain (Expected) Values	Definition of Value
147	<input type="checkbox"/>	[Other Coverage 1] Option 2	N/A for SD NJ TDB			If needed, this would be the class, earnings multiplier, coverage amounts, benefit percent etc...
148	<input type="checkbox"/>	[Other Coverage 1] Effective Date	N/A for SD NJ TDB	Format = YYYYMMDD		Required when employee has coverage. This is the date the coverage begins. Populate only when a coverage becomes effective for an employee.
149	<input type="checkbox"/>	[Other Coverage 1] Termination Date	N/A for SD NJ TDB	Format = YYYYMMDD		The last day the coverage is in effect; the coverage terminates at the end of this day.  <b>Termination Date is required in order for us to end the coverage in our system.</b>  Note: If the coverage was never in force, the Termination Date should be the same as the Effective Date or one day prior.
150	<input type="checkbox"/>	[Other Coverage 2] Policy	Hard code value: "<>"	Format = 999999		Policy Number provided by The Standard.
151	<input type="checkbox"/>	[Other Coverage 2] Plan	Hard code value: "<>"			Plan Code provided by The Standard.
152	<input type="checkbox"/>	[Other Coverage 2] Product	Hard code value: "SD"	SD = NY DBL		Product Code provided by The Standard.
153	<input type="checkbox"/>	[Other Coverage 2] Option 1	N/A for SD NY DBL			If needed, this would be the class, earnings multiplier, coverage amount, benefit percent, etc...
154	<input type="checkbox"/>	[Other Coverage 2] Option 2	N/A for SD NY DBL			If needed, this would be the class, earnings multiplier, coverage amounts, benefit percent etc...
155	<input type="checkbox"/>	[Other Coverage 2] Effective Date	N/A for SD NY DBL	Format = YYYYMMDD		Required when employee has coverage. This is the date the coverage begins. Populate only when a coverage becomes effective for an employee.
156	<input type="checkbox"/>	[Other Coverage 2] Termination Date	N/A for SD NY DBL	Format = YYYYMMDD		The last day the coverage is in effect; the coverage terminates at the end of this day.  <b>Termination Date is required in order for us to end the coverage in our system.</b>  Note: If the coverage was never in force, the Termination Date should be the same as the Effective Date or one day prior.

## Earnings

Earnings information will assist with claim adjudication.

### Earnings Details

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Field	Include In File	Attribute	Comments/Instruction for Policyholder	Format and Data Rule(s)	Domain (Expected) Values	Definition of Value
157	<input type="checkbox"/>	Earnings Category 1		If not null, must match Domain Values	Payroll Scheduled Actual	The category the earnings being sent falls into.
158	<input type="checkbox"/>	Earnings Type 1		If not null, must match Domain Values	Hourly Salary Commission Bonus Pre-disability Earnings Shift Differential Frozen Pay	The type of earnings being sent.
159	<input type="checkbox"/>	Earnings Amount 1		Required if Earnings Type 1 is not null.  Format = 9999999999.99		The amount that will be used when calculating a benefit payment.
160	<input type="checkbox"/>	Earnings Expression 1		Required if Earnings Amount 1 is not null.  Must match Domain Values	Annual Weekly Monthly Hourly Bi-Weekly Semi-Monthly Irregular	How the earnings amount (field 159) is expressed.  Bi-Weekly (26 periods) Semi-Monthly (24 periods)
161	<input type="checkbox"/>	Pay Frequency 1		If not null, must match Domain Values	Weekly Monthly Bi-Weekly Semi-Monthly Annual Irregular	How often earnings are paid.  Bi-Weekly (26 periods) Semi-Monthly (24 periods)
162	<input type="checkbox"/>	Earnings Effective Date 1		Required if Earnings Category 1 is Payroll.		Represents the effective date of the earnings period for the earnings amount (field 159).
163	<input type="checkbox"/>	Earnings Pay Date 1		Required if Earnings Category 1 is Payroll.		Date the earnings were paid

Field	Include In File	Attribute	Comments/Instruction for Policyholder	Format and Data Rule(s)	Domain {Expected} Values	Definition of Value
164	<input type="checkbox"/>	Pay Start Date 1		Required if Earnings Category 1 is Payroll.		The date the amount was effective
165	<input type="checkbox"/>	Pay End Date 1		Required if Earnings Category 1 is Payroll.		The date the amount was no longer effective
166	<input type="checkbox"/>	Pay Period Hours 1				If sending payroll, please provide the hours worked during the pay period.
167	<input type="checkbox"/>	Earnings Category 2		If not null, must match Domain Values	Payroll Scheduled Actual	The category the earnings being sent falls into.
168	<input type="checkbox"/>	Earnings Type 2		If not null, must match Domain Values	Base Hourly Base Salary Commission Bonus Pre-disability Earnings Shift Differential Frozen Pay	The type of earnings being sent.
169	<input type="checkbox"/>	Earnings Amount 2		Required if Earnings Type 2 is not null.  Format = 999999999.99		The amount that will be used when calculating a benefit payment.
170	<input type="checkbox"/>	Earnings Amount Expression 2		Required if Earnings Amount 2 is not null.  Must match Domain Values	Annual Weekly Monthly Hourly Bi-Weekly Semi-Monthly Irregular	How the earnings amount (field 169) is expressed.  Bi-Weekly (26 periods) Semi-Monthly (24 periods)
171	<input type="checkbox"/>	Pay Frequency 2		If not null, must match Domain Values	Annual Weekly Monthly Bi-Weekly Semi-Monthly Irregular	How often earnings are paid.  Bi-Weekly (26 periods) Semi-Monthly (24 periods)
172	<input type="checkbox"/>	Earnings Effective Date 2		Required if Earnings Category 2 is Payroll.		Represents the effective date of the earnings period for the earnings amount (field 169).
173	<input type="checkbox"/>	Earnings Pay Date 2		Required if Earnings Category 2 is Payroll.		Date the earnings were paid
174	<input type="checkbox"/>	Pay Start Date 2		Required if Earnings Category 2 is Payroll.		The date the amount was effective



Field	Include In File	Attribute	Comments/Instruction for Policyholder	Format and Data Rule(s)	Domain (Expected) Values	Definition of Value
175	<input type="checkbox"/>	Pay End Date 2		Required if Earnings Category 2 is Payroll.		The date the amount was no longer effective
176	<input type="checkbox"/>	Pay Period Hours 2				If sending payroll, please provide the hours worked during the pay period.

### Absence Management

Field	Include In File	Attribute	Comments/Instruction for Policyholder	Format and Data Rule(s)	Domain (Expected) Values	Definition of Value
177	Required	Hours Worked in the Last 12 Months		Not Null		
178	Required	Hours Worked in the Last 12 Months THRU DATE		Not Null		
179	<input type="checkbox"/>	Supervisor/Manager Employee ID				Supervisor/Manager Employee ID information may be required depending on configuration for system access and correspondence.
180	<input type="checkbox"/>	HR Contact Employee ID				Some level of HR Contact information may be required depending on configuration for system access and correspondence.
181	<input type="checkbox"/>	Key Employee Indicator		If not null, must match Domain Values	Y N	Required if this rule is applied: Key Employees, who are not excluded from taking leave under FMLA, but for whom the employer may deny job reinstatement in certain situations.
182	<input type="checkbox"/>	Employee Count Indicator		If not null, must match Domain Values	Y N U	Required if this rule is applied: "not required to provide leave to employees who work in a location where there are less than 50 employees in a 75-mile radius". Y(es) means a location has 50 or more employees. N(o) means a location has less than 50 employees. U(nknown) means a location where the count fluctuates and there are no locations within a 75-mile radius.
183	<input type="checkbox"/>	Reporting Group 1				
184	<input type="checkbox"/>	Reporting Group 2				
185	<input type="checkbox"/>	Reporting Group 3				
186	<input type="checkbox"/>	Reporting Group 4				
187	<input type="checkbox"/>	Reporting Group 5				
188	<input type="checkbox"/>	Reporting Group 6				

Field	Include In File	Attribute	Comments/Instruction for Policyholder	Format and Data Rule(s)	Domain {Expected} Values	Definition of Value
189	<input type="checkbox"/>	Reporting Group 7				
190	<input type="checkbox"/>	Reporting Group 8				
191	<input type="checkbox"/>	Reporting Group 9				

**PRODUCTION SUPPORT****CONTACT(S) FOR ONGOING SUPPORT**

Customer Contacts	The Standard Contacts
Business <sup>1</sup> Contact:	Business Contact: Click here to enter text.
Technical <sup>2</sup> Contact:	Technical Contact: <a href="mailto:B2BDataTeam@standard.com">B2BDataTeam@standard.com</a> (data specific) <a href="mailto:DATSupport@standard.com">DATSupport@standard.com</a> (file specific)

<sup>1</sup>Contact for questions about data in the file.<sup>2</sup>Contact for file questions (format, loading issues...).

Subscribe to one or more of the following automated email notifications:

File Acknowledgment	<input type="checkbox"/> File Received: This email will be sent when we successfully receive a file from you. <input type="checkbox"/> File Empty: This email will be sent if we receive a zero-byte file from you. <input type="checkbox"/> File Loaded: This email will be sent when we successfully load your file into our database. <input checked="" type="checkbox"/> File Missing: This email will be sent if we do not receive a file by the expected time.
Email subscriptions*:	<input type="checkbox"/> Received <input type="checkbox"/> Empty <input type="checkbox"/> Loaded <input checked="" type="checkbox"/> Missing - Email alias: <input type="checkbox"/> Received <input type="checkbox"/> Empty <input type="checkbox"/> Loaded <input type="checkbox"/> Missing - Email alias: <input type="checkbox"/> Received <input type="checkbox"/> Empty <input type="checkbox"/> Loaded <input type="checkbox"/> Missing - Email alias:

\*We ask that you specify only email aliases (distribution lists) - not individual email addresses. This will give you full control over who receives email notifications (especially as specifications change over time), and will minimize data entry errors and delays on our end. You may specify multiple email aliases and each alias may subscribe to different notifications.

**Note:** This system does not account for holidays, since they differ from company to company and from year to year. Therefore, if you specify monthly delivery on the 25<sup>th</sup> calendar day of every month, then don't transfer a file on Christmas Day; you could receive a File Missing notification on 12/25 (which you obviously can ignore).



Section E – Costs

## Costs

## University of Idaho Life/AD&amp;D &amp; Disability RFP

Please complete this rate sheet as follows:

Life/AD&amp;D Only

Disability Only

Life and Disability

Carrier Name: Standard Insurance Company

Please Quote Life/AD&amp;D Only Rates

## Life Insurance - Basic

Benefit - Active Employees	Non-Tobacco User	Tobacco User
	Per \$1,000	Per \$1,000
1 x Base Salary	\$0.175	\$0.230
Flat \$50,000	\$0.150	\$0.200

Benefit - Retirees	Life
	Rate per \$1,000
Current Benefit - lower of employee salary as of 7/1/2007 or \$10,000	\$3.08

## Optional Employee Life

Age	Non-Tobacco User	Tobacco User
	Per \$1,000	Per \$1,000
20 - 24	\$0.05	\$0.08
25 - 29	\$0.05	\$0.08
30 - 34	\$0.06	\$0.09
35 - 39	\$0.07	\$0.11
40 - 44	\$0.10	\$0.16
45 - 49	\$0.15	\$0.24
50 - 54	\$0.23	\$0.36
55 - 59	\$0.41	\$0.51
60 - 64	\$0.57	\$0.74
65 - 69	\$0.88	\$1.27
70 - 74	\$1.58	\$2.14
75+	\$1.58	\$2.14

## Optional Spouse Life

Age	Non-Tobacco User	Tobacco User
	Rate Per \$1,000	Rate Per \$1,000
20 - 24	\$0.05	\$0.08
25 - 29	\$0.05	\$0.08
30 - 34	\$0.06	\$0.09
35 - 39	\$0.07	\$0.11
40 - 44	\$0.10	\$0.16
45 - 49	\$0.15	\$0.24
50 - 54	\$0.23	\$0.36
55 - 59	\$0.41	\$0.51
60 - 64	\$0.57	\$0.74
65 - 69	\$0.88	\$1.27
70 - 74	\$1.58	\$2.14
75+	\$1.58	\$2.14

Please Quote Disability Only Rates

## Disability

Benefit - Active Employees	STD
	per \$10 of benefit
Basic 50% up to \$500 (per week)	\$0.082
Buy-Up 60% up to \$700 (per week)	\$0.046
Buy-Up 66 2/3% up to \$1,250 (per week)	\$0.071

Benefit - Active Employees	LTD
	per \$100 of salary
Basic 50% up to \$2,000 (per month)	\$0.200
Buy-Up 60% up to \$3,000 (per month)	\$0.155
Buy-Up 66 2/3% up to \$5,000 (per month)	\$0.300

Please provide sample calculations:

## STD

Basic 50% Plan

Volume \$937,351 x .082 divided by 10 = \$7,686.28 monthly

Buy-Up 60% Plan

Volume \$220,670 x .046 divided by 10 = \$1,015.08 monthly

Buy-Up 66 2/3% Plan

Volume \$354,817 x .071 divided by 10 = \$2,519.20 monthly

## LTD

Basic 50% Plan

Monthly Salary \$7,796,991 x .20 divided by 100 = \$15,593.98 monthly

Buy-Up 60% Plan

Monthly Salary \$2,068,958 x .155 divided by 100 = \$3,206.88 monthly

Buy-Up 66 2/3% Plan

Monthly Salary \$3,050,496 x .20 divided by 100 = \$6,100.99 monthly

Please Quote Life/AD&amp;D and Disability Rates

The Standard's quoted rates are the same on a Stand Alone Basis or Combined Life/AD&amp;D and Disability

## Life Insurance - Basic

Benefit - Active Employees	Non-Tobacco User	Tobacco User
	Per \$1,000	Per \$1,000
1 x Base Salary	\$0.175	\$0.230
Flat \$50,000	\$0.150	\$0.200

Benefit - Retirees	Life
	Rate per \$1,000
Current Benefit - lower of employee salary as of 7/1/2007 or \$10,000	\$3.08

## Optional Employee Life

Age	Non-Tobacco User	Tobacco User
	Per \$1,000	Per \$1,000
20 - 24	\$0.05	\$0.08
25 - 29	\$0.05	\$0.08
30 - 34	\$0.06	\$0.09
35 - 39	\$0.07	\$0.11
40 - 44	\$0.10	\$0.16
45 - 49	\$0.15	\$0.24
50 - 54	\$0.23	\$0.36
55 - 59	\$0.41	\$0.51
60 - 64	\$0.57	\$0.74
65 - 69	\$0.88	\$1.27
70 - 74	\$1.58	\$2.14
75+	\$1.58	\$2.14

## Optional Spouse Life

Age	Non-Tobacco User	Tobacco User
	Rate Per \$1,000	Rate Per \$1,000
20 - 24	\$0.05	\$0.08
25 - 29	\$0.05	\$0.08
30 - 34	\$0.06	\$0.09
35 - 39	\$0.07	\$0.11
40 - 44	\$0.10	\$0.16
45 - 49	\$0.15	\$0.24
50 - 54	\$0.23	\$0.36
55 - 59	\$0.41	\$0.51
60 - 64	\$0.57	\$0.74
65 - 69	\$0.88	\$1.27
70 - 74	\$1.58	\$2.14
75+	\$1.58	\$2.14

Optional Dependent Child Life	
Benefit	Rate Per \$1,000 *
\$5,000	\$0.30
\$10,000	\$0.60
\$25,000	\$1.50

\* The current rates with The Standard are Per Member Per Month.

We are continuing this same method of billing for this quote. The rate per \$1,000 is \$0.05.

Please provide sample calculations for all levels of coverage:

#### Active Basic Life - 1x Annual Salary

Non-Tobacco User

Volume \$114,157,000 x .175 divided by 1,000 = \$19,977.48 monthly

Tobacco User

Volume \$8,531,750 x .23 divided by 1,000 = \$1,962.30 monthly

#### Active Basic Life - Flat \$50,000 Benefit

Non-Tobacco User

Volume \$104,960,000 x .15 divided by 1,000 = \$15,744.00 monthly

Tobacco User

Volume \$10,100,000 x .20 divided by 1,000 = \$2,020.00 monthly

#### Retiree Basic Life

Volume \$3,375,000 x 3.08 divided by 1,000 = \$10,395.00

#### Optional Employee Life

Age 45-49 - Non-Tobacco User

Employee Benefit Election \$36,000 x .15 divided by 1,000 = \$5.40 monthly

Age 45-49 - Tobacco User

Employee Benefit Election \$36,000 x .24 divided by 1,000 = \$8.64 monthly

#### Optional Spouse Life

Age 45-49 - Non-Tobacco User

Spouse Benefit Election \$30,000 x .15 divided by 1,000 = \$4.50 monthly

Age 45-49 - Tobacco User

Spouse Benefit Election \$30,000 x .24 divided by 1,000 = \$7.20 monthly

#### Optional Dependent Child Life

\$10,000 Benefit (Per Member Per Month Rate) - \$0.60 monthly

Optional AD&D		
Per \$1,000	Employee Only	Employee + Family
1 x Salary	\$0.030	\$0.045
2 x Salary	\$0.030	\$0.045
3 x Salary	\$0.030	\$0.045
4 x Salary	\$0.030	\$0.045

Please provide sample calculations:

#### Optional AD&D

Employee Only

\$46,000 Benefit (1 x salary) x .03 divided by 1,000 = \$1.38 monthly

Employee and Family

\$46,000 Benefit (1 x salary) x .045 divided by 1,000 = \$2.07 monthly

The Standard current Basic Life plan has an Experience Rated Refunding with a Claims Fluctuation Reserve (ERR/CFR).

As part of this proposal, we are willing to offer ERR/CFR on a combined/cross refunding on all products.

Optional Dependent Life	
Benefit	Rate Per \$1,000 *
\$5,000	\$0.30
\$10,000	\$0.60
\$25,000	\$1.50

\* The current rates with The Standard are Per Member Per Month.

We are continuing this same method of billing for this quote. The rate per \$1,000 is \$0.05.

Please provide sample calculations for all levels of coverage:

Please see calculations to the left.

Optional AD&D		
Per \$1,000	Employee Only	Employee + Family
1 x Salary	\$0.030	\$0.045
2 x Salary	\$0.030	\$0.045
3 x Salary	\$0.030	\$0.045
4 x Salary	\$0.030	\$0.045

Please provide sample calculations:

Please see calculations to the left.

#### Disability

Benefit - Active Employees	
	STD
	per \$10 of benefit
Basic 50% up to \$500 (per week)	\$0.082
Buy-Up 60% up to \$700 (per week)	\$0.046
Buy-Up 66 2/3% up to \$1,250 (per week)	\$0.071

Benefit - Active Employees	
	LTD
	per \$100 of salary
Basic 50% up to \$2,000 (per month)	\$0.200
Buy-Up 60% up to \$3,000 (per month)	\$0.155
Buy-Up 66 2/3% up to \$5,000 (per month)	\$0.300

Please provide sample calculations:

Please see calculations to the left.



Section F – Questions to  
Vendors

## Questions to Vendors

## University of Idaho -- Life, AD&amp;D/Disability - Request For Proposal

Bidding Vendor: Standard Insurance Company

Question Number	Questions	Response
<b>Intent to Bid</b>		
1.1	Does your company intend to submit a proposal for benefits, programs and/or administrative services as requested and specified in the request for proposal?	Yes, we intend to submit a proposal for benefits as requested.
<b>General</b>		
2.1	For which coverages will you be submitting a proposal?	
	Basic Life	Yes
	Supplemental Employee Life	Yes
	Supplemental Spouse/Dependent Life	Yes
	Voluntary AD&D	Yes
	Basic Long Term Disability	Yes
	Buy-Up Long Term Disability	Yes
	Basic Short Term Disability	Yes
	Buy-Up Short Term Disability	Yes
2.2	Please describe your organization's approach to servicing the specific needs and account management of University of Idaho.	As the incumbent carrier for Life and AD&D, The Standard has a unique understanding of the needs of University of Idaho. It is our hope that through this proposal process we are able to continue to build on a foundation of mutual success and further a long lasting relationship with University of Idaho.
2.3	Do you subcontract any services to an outside organization? If yes, identify which services are outsourced.	<p>The Standard uses specialized service providers to enhance our customer-focused services. The Standard internally manages our customer service, underwriting, billing, claims processing and benefit disbursement functions.</p> <p>For our Life insurance coverages, we contract with national vendors to obtain copies of applicants' medical records when required, and also to arrange and perform blood/urine specimen collections (and occasionally physical examinations) when required. Currently, our primary vendors are Western Field Investigators (WFI) for medical records; ExamOne for exams; and LabOne and Clinical Reference Laboratory for lab work. We do use other vendors from time to time and may switch primary vendors if more favorable terms become available from a competing vendor.</p> <p>Many of our policies have a travel assistance service (FrontierMEDEX). We outsource this service to FrontierMEDEX Assistance Corporation.</p> <p>For our Life products, our records service provider is Creative Business Concepts in Minnesota.</p> <p>The Standard uses RGA Reinsurance Company for reinsurance of amounts in excess of \$750,000 combined Life and AD&amp;D insurance. Our reinsurer, RGA Reinsurance Company, is not involved in the claims approval process. They are notified, for informational purposes only, when a substantial claim has been filed.</p>



## QUESTIONNAIRE

## University of Idaho -- Life, AD&amp;D/Disability - Request For Proposal

## Bidding Vendor: Standard Insurance Company

Question Number	Questions	Response
		<p>For STD and LTD: Our vocational staff maintains a nationwide network of vocational professionals who act as local resources for our customers and their disabled employees. The vocational professionals we use most often are Mhays, Crawford, Coventry, MedAllocators and Stubbe &amp; Associates. Our staff coordinates closely with them on each referred case, ensuring quality service and results. We also partner with the vocational rehabilitation departments in each state to share services and resources.</p> <p>When we need an independent medical examination, we rely on a nationwide network of vendors to select a board-certified physician with the appropriate specialty and proximity to the disabled employee. We utilize Western Field Investigations, a national medical records retrieval provider, to request and obtain medical records from medical providers.</p> <p>For Social Security assistance, our primary Social Security service provider is Allsup Inc. Allsup Inc. has onsite Social Security experts screen all approved claims for likelihood of Social Security approval and work with those insured individuals to apply and secure awards on their behalf. Our onsite experts also offer coaching and counseling service for employees who may be filing for Social Security Disability on their own or who do not appear to meet the Social Security Disability requirements. We offer these services at no cost to the member.</p> <p>The Standard has an internal Overpayment Recovery Unit, which we use if an appropriate repayment plan is not in place within 30 days. If we need additional collection activities, the Overpayment Recovery Unit uses the services of an outside vendor, Stuart Allan. Our subrogation provider is Ingenix, and our lien provider is Midas Recovery.</p> <p>The Standard offers a Health Advocacy Solution through Health Advocate, a leading health advocacy company founded in 2001, to assist employees with managing their health. This highly personalized service provides individuals with a dedicated personal Health Advocate who assists with a wide range of health care-related services designed to alleviate the burden placed on employers and employees to resolve health care issues.</p> <p>Horizon Health provides services for our employee assistance program (EAP), physical rehabilitation and behavioral health. Many of our policies have a travel assistance service (MEDEX Travel Assist). This service is outsourced to MEDEX Assistance Corporation.</p> <p>The Standard uses RGA Reinsurance Company for LTD reinsurance with a retention limit of \$15,000 per month. Our reinsurer, RGA Reinsurance Company, is not involved in the claims approval process. They are notified, for informational purposes only, when a substantial claim has been filed.</p> <p>For electronic eligibility and enrollment, The Standard partners with Businessolver, Inc. Businessolver, Inc. is able to support a client's entire benefit program, including: medical, dental and vision plans; life, STD and LTD; voluntary; 401(k); and HAS and FSA plans. There would be a charge for the other carriers' coverages, and the employer</p>
<b>2.4 Provide ratings from the following rating agencies (complete all that apply):</b>		
	<b>AM Best</b>	A, Excellent
	<b>S&amp;P</b>	A+, Strong
	<b>Moody's</b>	A2, Good
	<b>Fitch</b>	We do not subscribe to Duff and Phelps (Fitch) rating system.

QUEST LAIRE

## University of Idaho -- Life, AD&amp;D/Disability - Request For Proposal

## Bidding Vendor: Standard Insurance Company

Question Number	Questions	Response
2.5	Review each one of the requirements below and indicate your ability to comply.	
	All contracts will be issued with a Idaho situs.	Agreed.
	The anniversary date of the arrangement(s) will be January of each year.	Agreed.
	The first plan year will begin on January 1, 2013 for all plans bid on unless noted otherwise by University of Idaho.	Agreed.
	Benefit plan features, services and contract provisions may vary slightly from what is requested, however, any variations will not affect the benefit design or service delivery objectives described herein.	Agreed.
	If awarded the business, you will provide a detailed implementation plan that outlines the various phases and respective timelines and responsibilities.	Agreed.
	A minimum advance notice of at least 180 days must be provided for any rate or fee change other than one necessitated by an agreed upon plan change or statutory provision change.	Agreed.
	Any employee or eligible dependent who is covered by University of Idaho's benefit or service program described herein as of the effective date will be fully covered. All "actively at work" provisions are waived - for all plans.	Periodically, we will receive a request to waive the actively at work policy provision when a prospective customer is considering the transfer of their disability coverage from another carrier to The Standard. While we do not agree to waive the actively at work provision because of implications on potential future claims, we are providing Continuity of Coverage. The Continuity of Coverage provision enables benefits to be payable if a Disability is subject to a Preexisting Condition provision under the following conditions:  a. The employee was covered under the Prior Plan on the day before the effective date of our Group Policy; b. The employee became insured under our Group Policy when insurance under the Prior Plan ceased; c. The employee was continuously insured under our Group Policy from the effective date of their insurance under the Group Policy through the date they became Disabled from a Preexisting Condition; and d. Benefits would have been payable under the terms of the Prior Plan if it had remained in force, taking into account the preexisting condition provision, if any, of the Prior Plan.
	Your organization will unconditionally agree to provide continuous coverage to all present plan participants, with no loss of benefits - on all plans.	Agreed, our contract provides continuity of coverage for all participants.
	There will be no benefit limitations for preexisting conditions applied to any employee or dependent covered under the University of Idaho plans as of the effective date.	Agree for Life and STD. However, on LTD The Standard will administer the same preexisting conditions limitation that is in the current plan - a 3/12 limitation. Our plan will include continuity of coverage for all participants so noone will loose coverage with
	There will be no preexisting condition exclusion for new hires, their dependents, or for acquired groups or companies.	Agree for Life and STD. However, on LTD The Standard will administer the same preexisting conditions limitation that is in the current plan - a 3/12 limitation. Our plan will include continuity of coverage for all participants so noone will loose coverage with
	All claim records and related data used by your organization as an insurer shall be available to University of Idaho as plan sponsor and plan administrator under ERISA.	Agreed.
	In the event of termination, all claim data and records necessary to administer the plans will be transferred back to University of Idaho within 30 days of notice to terminate. The transfer will be made electronically, based upon mutual agreement between your organization and University of Idaho.	Agreed.
	Your organization will not cede or subcontract any part of the arrangements requested here without informing University of Idaho.	Agreed.
2.6	Indicate any deviations from specification that your have for this RFP.	Agreed.

## QUESTIONNAIRE

## University of Idaho -- Life, AD&amp;D/Disability - Request For Proposal

Bidding Vendor: Standard Insurance Company

Question Number	Questions	Response
2.7	Briefly describe any additional or optional services that your organization offers that have not specifically been requested (value added services).	<p>The Standard currently offers a robust return to work program for both insured and self insured customers.</p> <p>We are experts at removing the barriers and reducing claim durations. We want to shoulder that burden for the client so that they can focus on their core business. In order to do this, we partner with the employer and collaborate with their existing programs to deliver the best outcomes. We differentiate ourselves through our dual-focus on Stay at Work/Return to Work and our clinical approach to the claims that will benefit the most from clinical intervention.</p> <p>We have several models including providing our customers with a dedicated Vocational Case Manager here at The Standard that will work in partnership with our employer. The program is designed to provide every opportunity for Employees to be successful in their return to work and stay at work efforts and help them achieve maximum self-support.</p> <p>The goal of our Return to Work Program is to provide a win-win for employer and employees by offering productive work based on restrictions provided by a physician. We help employee transition to full duty, to feel valued and to keep a workplace connection.</p> <p>The Standard also provides a Stay at Work Program which is paid for out of the Reasonable Accommodation Expense provision of the STD/LTD Contract.</p> <p>The primary emphasis of our Stay at Work Program is to:</p> <ul style="list-style-type: none"> <li>• Keep employees at work and productive</li> <li>• Drive prudent return to work when stay at work is not an option</li> <li>• Optimize clinical resources by focusing on complex claims</li> <li>• Consistent use of clinical resources across STD and LTD</li> <li>• Multiple levels of assistance to the severely disabled</li> <li>• Focus on possibilities</li> </ul> <p>The Standard Return to Work Program addresses mental health conditions on an equal basis with physical health conditions. The focus is always on the Employee's functional capacities and these include the ability to perform tasks that are physical, cognitive and emotional.</p> <p>The Standard's return to work team includes a dedicated Vocational Case Manager</p>
2.8	University of Idaho assumes that your contract would hold them harmless and indemnify them from any actions on the part of your company, its employees and/or network providers (if applicable). Please confirm this assumption.	<p>Individuals selected by the Policyholder or by any Employer to secure coverage under the Group Policy or to perform their administrative function under it, represent and act on behalf of the person selecting them, and do not represent or act on behalf of Standard Insurance Company, The Policyholder, Employer and such individuals have no authority to alter, expand or extend our liability or to waive, modify or compromise any defense or right we may have under the Group Policy. The Policyholder and each Employer hereby release, hold harmless and indemnify Standard Insurance Company from any liability arising from or related to any negligence, error, omission, misrepresentation or dishonesty of any of them or their representatives, agents or</p>

## QUEST. LAIRE

## University of Idaho -- Life, AD&amp;D/Disability - Request For Proposal

## Bidding Vendor: Standard Insurance Company

Question Number	Questions	Response
2.9	Please confirm you are willing to accept a mutual indemnification clause in a service agreement/contract, except for gross negligence.	Our group insurance policies do not contain indemnification language that indemnifies the policyholder for The Standard's acts or omissions. However, we will agree in an administrative letter to the indemnification provisions included in the RFP in favor of University of Idaho.
2.10	Please confirm you will provide University of Idaho with updates on state/federal laws and regulation as needed.	Agreed.
2.11	Please confirm that the cost of creating and distributing all plan SPDs (i.e. you will pay for the cost of print, fulfillment and mailing of SPDs) is included as a service provided by your company and not at an extra cost to University of Idaho.	Agreed.
<b>Basic Life/AD&amp;D, Supplemental Life, Spouse/Dependent Life</b>		
3.1	Will you provide a dedicated Account Manager and service representative to University of Idaho? If yes, where will that representative be located?	
3.2	Are the key people involved with the implementation also involved with ongoing account management?	
3.3	What will your organization offer to University of Idaho's communication resource team to help communicate the plan to employees?	
3.4	Are performance guarantees with fees at risk included for the services to be provided under this product? If yes, please describe as relates to both implementation and ongoing administration services.	Through the Performance Guarantee Program, our policyholders decide what aspects of service are most important to them and rate their satisfaction based on those criteria. The Standard promises to make every effort to meet those overall service expectations.  If we fail to meet expectations, we will refund five percent (5%) of the previous quarter's plan administration expenses, excluding commission, premium tax and risk charges.
3.5	Indicate your average turnaround time for the preparation and supply of the following:	
	Policy/Contract:	The master contract is normally provided within 6 weeks of receiving the signed application and initial binder check.
	Employee Booklets:	Varies dependent on the details of the plan, as the inforce carrier University of Idaho already has the requested documents.
	Administration and Claims Procedure Manual:	Varies dependent on the details of the plan, as the inforce carrier University of Idaho already has the requested documents.
	Underwriting Agreement:	Varies dependent on the details of the plan, as the inforce carrier University of Idaho already has the requested documents.
	Financial Letter of Agreement and Contract Amendment:	Varies dependent on the details of the plan, as the inforce carrier University of Idaho already has the requested documents.
3.6	Indicate the inforce plan design provision that your are able to match exactly.	As the inforce carrier The Standard agrees to administer the current plan designs.
	Basic Life	As the inforce carrier The Standard agrees to administer the current plan designs.
	Benefit Schedule:	As the inforce carrier The Standard agrees to administer the current plan designs.
	Benefit Maximum:	As the inforce carrier The Standard agrees to administer the current plan designs.
	EOI Limit - New Hires:	As the inforce carrier The Standard agrees to administer the current plan designs.
	EOI Limit - Annual Enrollment:	As the inforce carrier The Standard agrees to administer the current plan designs.
	EOI Limit - Salary Changes	As the inforce carrier The Standard agrees to administer the current plan designs.
	Age reduction schedule	As the inforce carrier The Standard agrees to administer the current plan designs.

## QUESTIONNAIRE

## University of Idaho -- Life, AD&amp;D/Disability - Request For Proposal

## Bidding Vendor: Standard Insurance Company

Question Number	Questions	Response
	<b>Accelerated Death Benefit (living benefit)</b>	As the inforce carrier The Standard agrees to administer the current plan designs.
	<b>Supplemental Life</b>	As the inforce carrier The Standard agrees to administer the current plan designs.
	<b>Benefit Schedule:</b>	As the inforce carrier The Standard agrees to administer the current plan designs.
	<b>Benefit Maximum:</b>	As the inforce carrier The Standard agrees to administer the current plan designs.
	<b>EOI Limit - New Hires:</b>	As the inforce carrier The Standard agrees to administer the current plan designs.
	<b>EOI Limit - Annual Enrollment:</b>	As the inforce carrier The Standard agrees to administer the current plan designs.
	<b>EOI Limit - Salary Changes</b>	As the inforce carrier The Standard agrees to administer the current plan designs.
	<b>Age reduction schedule</b>	As the inforce carrier The Standard agrees to administer the current plan designs.
	<b>Accelerated Death Benefit (living benefit)</b>	As the inforce carrier The Standard agrees to administer the current plan designs.
	<b>Supplemental Spouse Life</b>	As the inforce carrier The Standard agrees to administer the current plan designs.
	<b>Benefit Schedule:</b>	As the inforce carrier The Standard agrees to administer the current plan designs.
	<b>Benefit Maximum:</b>	As the inforce carrier The Standard agrees to administer the current plan designs.
	<b>EOI Limit - New Hires:</b>	As the inforce carrier The Standard agrees to administer the current plan designs.
	<b>EOI Limit - Annual Enrollment:</b>	As the inforce carrier The Standard agrees to administer the current plan designs.
	<b>EOI Limit - Salary Changes</b>	As the inforce carrier The Standard agrees to administer the current plan designs.
	<b>Age reduction schedule</b>	As the inforce carrier The Standard agrees to administer the current plan designs.
	<b>Accelerated Death Benefit (living benefit)</b>	As the inforce carrier The Standard agrees to administer the current plan designs.
	<b>Supplemental Child Life</b>	As the inforce carrier The Standard agrees to administer the current plan designs.
	<b>Benefit Schedule:</b>	As the inforce carrier The Standard agrees to administer the current plan designs.
	<b>Benefit Maximum:</b>	As the inforce carrier The Standard agrees to administer the current plan designs.
	<b>EOI Limit - New Hires:</b>	As the inforce carrier The Standard agrees to administer the current plan designs.
	<b>EOI Limit - Annual Enrollment:</b>	As the inforce carrier The Standard agrees to administer the current plan designs.
	<b>EOI Limit - Salary Changes</b>	As the inforce carrier The Standard agrees to administer the current plan designs.
	<b>Age reduction schedule</b>	As the inforce carrier The Standard agrees to administer the current plan designs.
	<b>Accelerated Death Benefit (living benefit)</b>	As the inforce carrier The Standard agrees to administer the current plan designs.
	<b>Voluntary AD&amp;D</b>	As the inforce carrier The Standard agrees to administer the current plan designs.
	<b>Benefit Schedule:</b>	As the inforce carrier The Standard agrees to administer the current plan designs.
	<b>Benefit Maximum:</b>	As the inforce carrier The Standard agrees to administer the current plan designs.
	<b>EOI Limit - New Hires:</b>	As the inforce carrier The Standard agrees to administer the current plan designs.
	<b>EOI Limit - Annual Enrollment:</b>	As the inforce carrier The Standard agrees to administer the current plan designs.
	<b>EOI Limit - Salary Changes</b>	As the inforce carrier The Standard agrees to administer the current plan designs.
	<b>Age reduction schedule</b>	As the inforce carrier The Standard agrees to administer the current plan designs.
	<b>Accelerated Death Benefit (living benefit)</b>	As the inforce carrier The Standard agrees to administer the current plan designs.
3.7	<b>Will you duplicate all inforce life and AD&amp;D insurance amounts (both University of Idaho paid and employee paid) without evidence of insurability?</b>	As the inforce carrier The Standard agrees to administer the current plan designs.
	<b>Basic Life:</b>	As the inforce carrier The Standard agrees to administer the current plan designs.
	<b>Supplemental Life:</b>	As the inforce carrier The Standard agrees to administer the current plan designs.
	<b>Supplemental Spouse Life:</b>	As the inforce carrier The Standard agrees to administer the current plan designs.
	<b>Supplemental Child Life</b>	As the inforce carrier The Standard agrees to administer the current plan designs.
	<b>Voluntary AD&amp;D:</b>	As the inforce carrier The Standard agrees to administer the current plan designs.

## QUEST IRE

## University of Idaho -- Life, AD&amp;D/Disability - Request For Proposal

## Bidding Vendor: Standard Insurance Company

Question Number	Questions	Response
3.8	Please confirm that you will handle the EOI process from start to finish. Providing the forms to employees, following up for completion, notifying employee of approval/denial, etc.	Agreed
3.9	Will your company accept the current beneficiary designations on record for current participants?	The Standard can accept existing beneficiary designations once we have reviewed them to determine if they meet the guidelines under our policy, and can be used to administer the plan when a claim occurs.
3.10	What is the minimum participation requirement for employee supplemental life as a percentage of total eligibles?	20.00%
3.11	What effect does not meeting the minimum participation requirement for the employee supplemental life have on the rates?	We would work with the client to increase the participation. Your current participation level for Additional Life is current 39% so this shouldn't be a problem.
3.12	What is the location of the claims processing site that would service University of Idaho?	Claims will be processed in our home office location in Portland, Oregon.
3.13	Does a Third Party Administrator (TPA) pay any claims? If yes, explain.	No, we pay all claims in house.
3.14	Will you provide monthly paid-claims summaries?	Yes
3.15	Are you able to provide on-line access to your company's claims adjudication systems?	We do not provide online access to our claims adjudication system, we do however provide online access to our Reports OnlineSM tool to track claims progress.
3.16	Can employee eligibility be updated on-line?	eligibility can be updated through a data feed, online eligibility updates are not currently available.
3.17	Confirm that detailed quarterly reports will be available and be provided to the client within 30 days of the end of each quarter for all lines of coverage you are awarded.	Agreed
3.18	Confirm that the annual financial report will be available and provided to the client within 60 days of the end of the policy year or receipt of all necessary information from the client, whichever is later.	Agreed
3.19	Confirm you can guarantee rates for three or more years for Basic Life/AD&D, Supplemental Life and Basic Dependent Life insurance.	The Standard is offering a three year rate guarantee.
3.20	Confirm your quote assumes University of Idaho will self-administer the billing.	Agreed
3.21	Confirm no commissions, overrides, and/or finder's fees will be paid to any party. All rates should be quoted net of commissions.	Agreed
3.22	Confirm renewal rates will be furnished at least 180 days prior to the end of the contract year.	Agreed
3.23	Are any of the quoted rates contingent upon the purchase of any other proposed services? If yes, explain.	No

## QUESTIONNAIRE

## University of Idaho -- Life, AD&amp;D/Disability - Request For Proposal

## Bidding Vendor: Standard Insurance Company

Question Number	Questions	Response
3.24	Are there minimum participation requirements for the Supplemental Life Insurance? If yes, what are the requirements?	Yes, 20%. Your current participation level for Supplemental Life is current 39% so this shouldn't be a problem.
3.25	Do the rates for Supplemental Life Insurance include portability? If no, what percentage increase should be applied to each rate to add the portability feature?	Yes
3.26	Confirm that the Basic Life/AD&D rates will not be artificially lowered by inflating the Supplemental Life rates.	Agreed
3.27	Describe the rating and funding approach your company contemplates applying to this contract. Also, describe methodology used in developing future renewals.	<p>Our proposal and renewal rating is based on our best prediction of the premium needed to pay the claims incurred in the next year (and our related expenses). We would like to explain our methodology to you, but we also want you to know that we are flexible. We will tailor our methods to each group.</p> <p>Our formulas include two different analyses of experience:</p> <p>First, we look at the demographics. The Standard has thousands of insured groups. We use this data and actuarial tables to analyze the employees (and their occupations) along with the plan design. This information is used to prepare a calculated rate: the best estimate of a group's experience in the long term. When the group is of a smaller size and experience is not credible the underwriter will rely more heavily on this for rating. .</p> <p>Next, we review the recent experience. The industry standard is known as an "Incurred Experience Analysis". This approach applies claims -- reserves and paid claims -- to the time period in which the claim was incurred. We typically look at the most recent five years, and use the resulting formulas to generate an experience rate.</p> <p>These two rates are combined to help us determine the claims we can expect in the future. The Standard does not use future rating to recover losses.</p> <p>After the formulas, The Standard goes "beyond the numbers". We make sure the formula accurately represents future expectations:</p> <p>Did the group have a bad year due to layoffs that we do not expect to repeat in the future?  Was there an unusually large claim that we should discount?  Have plan design changes occurred that will be reflected in the future?  Has the makeup of the group changed, e.g. are they hiring a lot of younger employees?</p> <p>At The Standard, we believe in reasonable rate stability. We will find the correct long term rate rather than jumping around to the last rate a formula suggests.</p> <p>The following are the various components of experience rating a proposal or renewal:</p> <p>Incurred Experience: Experience is analyzed on an Incurred basis. We match the total claims incurred in one year to the adjusted premium from that year. This approach</p>

## QUEST I AIRE

## University of Idaho -- Life, AD&amp;D/Disability - Request For Proposal

## Bidding Vendor: Standard Insurance Company

Question Number	Questions	Response
		<p>claims incurred in one year to the adjusted premium from that year. This approach prevents the experience from being impacted by claims originally incurred many years ago.</p> <p>Earned and Adjusted Premium: Earned Premium includes premium that was actually due during the period shown. It does not include overpayments or adjustments from other periods. Therefore it reflects the group's actual insured volume and is not impacted by payment oddities. This premium is adjusted to the current rate to insure that all years risk gets equal weight, and is not skewed by radical rate changes.</p> <p>Total Incurred Claims: Incurred Claims are made up of three components. We include every claim that was incurred in a given period, including the total cash paid for that claim (all years for that claim), and it's ending reserve. The most recent period will also include a fully funded IBNR (Incurred But Not Reported) Reserve. This represents the claims that have been incurred, but not reported to The Standard. We typically give less weight to this period since the IBNR is an estimate, and often is a substantial portion of the claims in that period.</p> <p>Retention: Retention includes all expenses and risk charges. These include administrative expenses, premium taxes and commissions (when appropriate), claims expenses, etc. The retention is shown based on the current percentage (not historical) applied to the past period's Adjusted Premiums. We are measuring whether the current rate will adequately fund expected claims and expenses.</p> <p>Experience Rate: This rate would have run the experience in the period at breakeven. However, this assumes we believe the experience 100%. The rate includes retention.</p> <p>Loss Ratio: This ratio indicates what percentage of Adjusted Premiums were used for claims. It does not include retention.</p> <p>Life Years &amp; Credibility: A life year is one insured member for one year. It is used to determine credibility: the larger the group, and the longer insured, the more we believe the experience.</p> <p>Experience Formula: We have two major components in our experience formula. We combine the Experience Rate with the Calculated Rate to determine our Blended Rate. The two components are blended based on the credibility.</p>
3.28	Confirm that you will provide a draft of the certificate and master contract within 30 days of being awarded the business, and will respond to proposed revisions within 30 days of receipt. University of Idaho requires that certificates and master contract must be signed before beginning the implementation process. Confirm that certificate and the master contract can be completed prior to implementation.	We prefer to agree to provide this within 60 days.



## QUESTIONNAIRE

## University of Idaho -- Life, AD&amp;D/Disability - Request For Proposal

Bidding Vendor: Standard Insurance Company

Question Number	Questions	Response
3.29	Do you allow conversion of life insurance? If so, what are conversion costs?	<p>The following table shows our current charges to the employer. These charges are the same for basic life as supplemental life. Individual rates vary and can be provided upon request. While we do not provide multi-year fee guarantees, we would like to note that this is the same charge that has been in effect for the past 10+ years and we have no current plans to change this fee.</p> <p>The charge per \$1,000 of converted life volume is:</p> <p>AGE RATE/\$1,000  Under age 35 \$ 25  35 – 44 50  45 – 54 120  55 – 64 225  Age 65 &amp; over 410</p> <p>This charge goes against the experience of the group.</p>
3.30	If you are awarded the business will you provide an implementation credit?	Per your 12-46J Addendum 1 Questions and Answers Item #37. Are there any implementation allowances that we might be asked to pay that are not disclosed in the Request for Proposal? If so, please provide details. Your Answer was No. Because of this we have not included an implementation credit.

## Long-Term Disability

4.1	What office(s) will administer University of Idaho's disability claims?	Claims will be processed in our home office location in Portland, Oregon.
4.2	In which of the following ways will you assist University of Idaho in developing communication and education materials (answer "yes" to all that apply)?	
	Drafting employee level communication (e.g. change in carrier, vendor announcement letters)	Yes
	Finalize and produce written materials for University of Idaho	Yes
	Distribute hard copy claims packets and forms to University of Idaho	Yes. We also offer on-line claims forms.
	Provide claim forms and supporting information online for University of Idaho	Yes
	Provide supervisory/administrative manuals as reference	Yes
	Assist client with internal training	Yes
	Create and support customized or co-branded websites	Yes
	Develop and conduct satisfaction surveys	Yes
	Provide claim forms and supporting information online for University of Idaho	Yes
	Provide supervisory/administrative manuals as reference	Yes
	Other, please explain:	
4.3	Will you provide consulting support to University of Idaho? Will your stewardship meetings include trends and key indicators?	Yes we will provide consulting support including trends and key indicators.
4.4	The frequency of stewardship meetings will be:	
	Monthly	
	Semi-Annually	
	Annually	

## QUEST IRE

University of Idaho -- Life, AD&D/Disability - Request For Proposal		
<b>Bidding Vendor: Standard Insurance Company</b>		
Question Number	Questions	Response
	Other, please explain:	We are willing to discuss a mutually agreeable schedule for these meetings with University of Idaho.
4.5	Please confirm that you have attached a sample implementation plan with proposed timeline, tasks, and responsible parties.	Agreed
4.6	Will your implementation team and account management team commit to 24 hour acknowledgement of phone calls and/or emails?	Agreed. It is our standard to return calls and/or emails within 4 business hours.
4.7	Do you have a client advisory board?	While we do not have a specific client advisory board, University of Idaho will have access to Adrian Lewis, National Accounts Consultant, and Cheri Behles, Account Manager to advocate for University of Idaho. They will analyze trends, financials, experience, and customer service survey results and provide results and
4.8	What kind of industry organizations do you belong to?	The Standard is a member of the following organizations:  ACLI - American Council of Life Insurers LIMRA International LOMA - Life Office Management Association  Additionally, many of our employees are members of professional associations, such as the American Society of Actuaries, the International Society of Certified Employee Benefits Specialists, the American Academy of Insurance Medicine, and we have Chartered Life Underwriters, etc.
4.9	Based upon the information provided in this RFP and your experience with similar clients, what specific suggestions related to program administration do you have for University of Idaho?	Your current disability plan is very similar to other university plans. Based on your employees current earning we feel the Maximum Benefits are a bit low; We would like to discuss with you the possibility of increasing your Maximum Benefits.
4.10	Confirm you will issue W-2s and 1099's.	Confirmed
4.11	Which of the following best describes your experience with performance guarantees?	
	We have been successful in negotiating realistic guarantees with our customers.	Yes
	Other:	
4.12	Confirm you will:	
	Provide dedicated customer service staff/team or unit	We will provide a designated customer service team.
	Provide a dedicated staff or unit for claims administration	We will provide a designated unit for claims administration.
	Maintain records in accordance with ERISA requirements, even if vendor relationship terminates	Confirmed
	Be responsible for overpayment recovery for LTD benefits	Confirmed
	Provide "benefit calculations and check cutting for LTD" at no additional cost	Confirmed
	Certify employee's eligibility for benefits for LTD	Confirmed
	Assess disability determination according to plan language for LTD	Confirmed
	Provide benefit calculations (including all relevant offsets) for LTD	Confirmed
	Provide electronic on-line access to LTD case notes and claim status	Confirmed, for status updates. We do not provide case notes online.
	Have employee eligibility verification available as a web-based notification from HRIS	Not confirmed. Eligibility verification is provided as part of the ongoing eligibility feed we receive from University of Idaho.

## QUESTIONNAIRE

## University of Idaho -- Life, AD&amp;D/Disability - Request For Proposal

Bidding Vendor: Standard Insurance Company

Question Number	Questions	Response
	Accept multiple forms of eligibility files for LTD.	Confirmed
	Offer telephonic intake of claims events via a 1-800 number 24 by 7 for LTD benefits	Not confirmed
	Offer web-based disability notification for LTD benefits	Confirmed
	Conduct labor market surveys (LMS)	Confirmed
	Conduct a loss of earning evaluation	Confirmed
	Conduct retraining services/job replacement services	Confirmed
	Maximizing community resources to assist disabled employee functionality	Confirmed
4.13	Please list any deviations from the current LTD plan provisions as identified in the SPD	None
4.14	Are you able to withhold the appropriate amounts for:	
	Income taxes	Yes
	FICA	Yes
	FUTA	Yes
	Contributions for H&W benefits on a pre-tax basis (medical, dental, etc.)	Yes
	Contributions for 401k(k)/403(b)	No
4.15	Will you provide customized letters (maternity, state specific, letters describing concurrent benefits from integrated programs, appeal/denial, etc.)? If no, please explain.	Yes
4.16	Will costs for the standard reports that are generated for University of Idaho be included in the fees? Please list the standard reports.	<p>Yes, As an eligible subscriber to Reports Online<sup>SM</sup> (ROL), University of Idaho will have access to specified disability claims reports, status information and quarterly case management reports relevant to your plan and claims. With ROL, an authorized staff member with internet access can view the selected materials; download report data to a spreadsheet application, segment reports by subunit (office location, division, tax unit, etc.) and control user access privileges to sensitive information.</p> <p>Life Reports</p> <p>The Standard provides the following two reports on a regular basis and upon request to our life customers:</p> <p>Experience Reports — show the current policy year and all years' experience and are produced annually. These reports illustrate premiums, paid claims and claim reserves. For experience-rated groups, retention is also shown.</p> <p>Claim Experience Reports — list the individual claims that were active and closed during the time period requested. The information includes benefits paid, as well as beginning and ending reserves.</p> <p>Additionally, for the ease of your administrators, the following reports are available online and are updated daily using AdminEASE and Reports Online:</p> <p>Life Claim Status — a listing of all pending and active Life claims, as well as all Life claims closed within the last 90 days.</p> <p>Life Payment Detail — this report provides payment information for all active and pending claims, as well as all closed claims within that last 90 days.</p>

## University of Idaho -- Life, AD&amp;D/Disability - Request For Proposal

## Bidding Vendor: Standard Insurance Company

Question Number	Questions	Response
		<p>pending claims, as well as all closed claims within that last 90 days.</p> <p>Expanded Claim Detail — this report provides a detailed snapshot of all active and pending claims, and closed claims within the last 90 days.</p> <p>Diagnosis Summary — this report provides a breakdown of closed claims in broad categories of related diagnoses within the last 90 days.</p> <p>Disability Reports</p> <p>The following are the various reports available to our disability policyholders:</p> <p>Experience Report — this is a financial statement that shows the current policy year and year's experience. It shows premiums, paid claims, claim reserves and retention. This report is produced at renewal, year-end and upon request.</p> <p>Claim Experience Report — this is a printout that lists the individual claims that were active during the time period requested. The information includes benefits paid, beginning and ending reserves. This report can be produced for any time period from the policy inception date through the current last full month.</p> <p>Group Benefits Activity Report — this report is produced monthly and details information about Long Term Disability and/or Short Term Disability payments and claim decisions or by policyholder location or affiliate.</p> <p>Disability Income Report — this reports yearly totals for benefit payments and tax withholding for each employee who received Long Term Disability and/or Short Term Disability benefits during the calendar year. The report includes all the information a policyholder needs to prepare IRS Form W-2, Wage and Tax statements for STD claimants. The Standard prepares the W-2s for all LTD claimants.</p> <p>Daily FICA Tax Activity Report — this is used to notify policyholders whenever a FICA Tax deduction is made from a claim payment, and gives the amount of Social Security and Medicare tax withheld. A policyholder may use this information when preparing the IRS Form 941, Employer's Quarterly Federal Tax Return. This information can be reported by employer location or affiliate with different taxpayer identification numbers, if requested.</p> <p>The following reports are available for viewing or printing as often as the group desires. Many are updated daily to provide the most accurate and timely information possible:</p> <p>Claim Status Reports — Updated Daily:</p> <p>Claim Status — a listing of all incomplete, pending, active and closed STD or LTD claims within the last 30 days for STD or 90 days for LTD.</p> <p>Most Recent Checks — a listing of all benefit checks issued in the last 30 days for STD or 90 days for LTD.</p> <p>Paid Claim Reports:</p> <p>STD — Updated Weekly:</p> <p>Claims to Pay — a listing of all active STD claims and the time period for which benefits are due.</p> <p>Claims in Non-Payment Status — a listing of all incomplete, denied, pending and suspended STD claims.</p> <p>Payment Detail — this shows all STD benefits due for each claimant for the specified period.</p> <p>LTD — Updated Daily</p>

## QUESTIONNAIRE

## University of Idaho -- Life, AD&amp;D/Disability - Request For Proposal

## Bidding Vendor: Standard Insurance Company

Question Number	Questions	Response
		<p>LTD — Updated Daily.</p> <p>Benefit Calculation Report — this shows pertinent claimant data and benefit calculation detail for all active LTD claims.</p> <p>Case Management Reports — Updated Quarterly.</p> <p>STD Reports:</p> <p>Benefits Paid by Diagnosis — this report shows total benefits paid on all approved but currently closed STD claims incurred during the previous quarter. Reports are sorted by diagnosis type.</p> <p>Claims Duration by Diagnosis — this report gives the length of time from date of disability to date of claim closure for approved but currently closed STD claims incurred during the previous quarter. Reports are sorted by diagnosis type.</p> <p>Claims Duration by Closure Reason — this report indicates the length of time from date of disability to date of claim closure for all STD claims closed during the previous quarter. Reports are sorted by closure reason.</p> <p>Benefits Paid by Occupation — this report provides total benefits paid on all approved but currently closed STD claims incurred during the previous quarter. Reports are sorted by occupation type.</p> <p>Quarterly Paid Claims — this report shows the total benefits paid on active and closed STD claims for the prior four quarters.</p> <p>LTD Reports:</p> <p>Benefits Paid by Diagnosis — this report shows total benefits paid on all approved but currently closed LTD claims incurred during the previous quarter. Reports are sorted by diagnosis type.</p> <p>Claims Duration by Diagnosis — this report gives the length of time from date of disability to date of claim closure for approved but currently closed claims incurred during the previous quarter. Reports are sorted by diagnosis type.</p> <p>Claims Duration by Closure Reason — this report indicates the length of time from date of disability to date of claim closure for all LTD claims closed during the previous quarter. Reports are sorted by closure reason.</p> <p>Benefits Paid by Occupation — this report provides total benefits paid on all approved but currently closed LTD claims incurred during the previous quarter. Reports are sorted by occupation type.</p>
4.17	Can University of Idaho run these standard reports at will? Can they be accessed on-line?	Yes, University of Idaho can run standard reports at will and these reports are available on-line.
4.18	Which of the following will be included in your LTD performance guarantees (answer "yes" to all that apply)?	<p>Through the Performance Guarantee Program, our policyholders decide what aspects of service are most important to them and rate their satisfaction based on those criteria. The Standard promises to make every effort to meet those overall service expectations.</p> <p>If we fail to meet expectations, we will refund five percent (5%) of the previous quarter's plan administration expenses, excluding commission, premium tax and risk charges. We automatically offer the Performance Guarantee Program to group policyholders with 1,000 or more insured employees.</p>
	Claims administration/case management	Please see comments above regarding performance guarantees
	Claims turnaround time (including statutory compliance)	Please see comments above regarding performance guarantees
	Claim follow up procedures	Please see comments above regarding performance guarantees
	Financial claim payment accuracy (including statutory compliance)	Please see comments above regarding performance guarantees
	Communication accuracy (e.g., name, address, etc.)	Please see comments above regarding performance guarantees

## QUESTAIRE

## University of Idaho -- Life, AD&amp;D/Disability - Request For Proposal

Bidding Vendor: Standard Insurance Company

Question Number	Questions	Response
	Case management documentation	Please see comments above regarding performance guarantees
	Clinical case manager case load	Please see comments above regarding performance guarantees
	Clinical case manager response time	Please see comments above regarding performance guarantees
	Social security disability approvals	Please see comments above regarding performance guarantees
	Social security disability referrals	Please see comments above regarding performance guarantees
	Appropriate triage of complex cases (early intervention)	Please see comments above regarding performance guarantees
	Return to work documentation	Please see comments above regarding performance guarantees
	Customer service	Please see comments above regarding performance guarantees
	Call speed to answer	Please see comments above regarding performance guarantees
	Call abandonment rate	Please see comments above regarding performance guarantees
	Inquiry resolution rate	Please see comments above regarding performance guarantees
	Case management documentation	Please see comments above regarding performance guarantees
	Account management implementation	Please see comments above regarding performance guarantees
	Reporting and data timing	Please see comments above regarding performance guarantees
	Reporting and data quality	Please see comments above regarding performance guarantees
	Satisfaction survey results	Please see comments above regarding performance guarantees
	Implementation timeframes, communications and responsiveness	Please see comments above regarding performance guarantees
	Completion of key milestones	Please see comments above regarding performance guarantees
	Stability of Account Manager for minimum timeframe	Please see comments above regarding performance guarantees
	Eligibility file updates	Please see comments above regarding performance guarantees
	FCE/IME scheduling	Please see comments above regarding performance guarantees
	Timing of Labor Survey	Please see comments above regarding performance guarantees
4.19	Confirm you can guarantee rates for three or more years for Long-term Disability.	The Standard is offering a three year rate guarantee.
4.20	Confirm renewal rates will be furnished at least 180 days prior to the end of the contract year.	Confirmed
4.21	In event of termination, state your liability with respect to existing claimants who return to active employment and subsequently go back on disability for the same or related cause prior to the expiration of 6 months.	The Standard retains terminal liability for all approved claims incurred while a fully insured group policy was in force with us.
4.22	Confirm no commissions, overrides, and/or finder's fees will be paid to any party. All rates should be quoted net of commissions.	Confirmed
4.23	Confirm that you will provide a draft of the certificate and master contract within 30 days of being awarded the business, and will respond to proposed revisions within 30 days or receipt. University of Idaho requires that certificates and master contract must be signed before beginning the implementation. Confirm that you believe certificate and the master contract can be completed prior to implementation.	We prefer to agree to provide this within 60 days.

## QUESTIONNAIRE

## University of Idaho -- Life, AD&amp;D/Disability - Request For Proposal

## Bidding Vendor: Standard Insurance Company

Question Number	Questions	Response
4.24	Confirm if a vendor or subcontractor, will provide Social Security communications material to employee. If there is a cost to provide, please give a range of that cost.	We offer the services of Allsup, Inc., our primary Social Security vendor, to help disabled individuals obtain Social Security Disability awards. We have several full-time Social Security Coordinators from Allsup on site. They screen newly approved LTD claims for Social Security viability and offer Social Security representation for appropriate cases. Allsup coaches, mentors and represents disabled employees by helping them initiate the application and pursue Social Security Disability benefits. The company provides status updates to the disabled individuals and The Standard throughout the application process as key milestones occur. Our process ensures early application for Social Security Disability benefits and reduced overpayments for disabled employees. Allsup also provides comprehensive Social Security offset and overpayment
4.25	Confirm if the vendor or subcontractor will provide assistance with the Social Security filing process. If there is a cost to provide, please give a range of that cost.	We offer the services of Allsup, Inc., our primary Social Security vendor, to help disabled individuals obtain Social Security Disability awards. We have several full-time Social Security Coordinators from Allsup on site. They screen newly approved LTD claims for Social Security viability and offer Social Security representation for appropriate cases. Allsup coaches, mentors and represents disabled employees by helping them initiate the application and pursue Social Security Disability benefits. The company provides status updates to the disabled individuals and The Standard throughout the application process as key milestones occur. Our process ensures early application for Social Security Disability benefits and reduced overpayments for disabled employees. Allsup also provides comprehensive Social Security offset and overpayment
4.26	In the event that Social Security disability claim is disallowed initially, or discontinued after initial approval, do you notify the policyholder of such action?	The Social Security Administration will notify an insured individual (and his or her representative, if there is one) directly if the Social Security denies the disability claim. Allsup Inc., our Social Security advocate, regularly communicates with the individual's it represents and provides assistance once the Social Security Administration renders its claim decision.  We do not routinely inform employers about Social Security approvals or denials. However, our online service, Reports OnlineSM, provides claims information, such as
4.27	What procedures does your company follow in circumstances as specified in question 4.26 above? Do you assist the claimant in the process of appealing the Social Security denial? If yes, who pays the legal expenses of such appeal, your company or the claimant?	Yes, we assist claimants with reapplications, appeals, and hearings as part of our Social Security Advocacy program. We use any attorney's fee the Social Security Administration approved to reduce the LTD claims overpayment that the employee must reimburse.
4.28	If your company has adopted procedures for legal assistance to Social Security claimants in denial circumstances, what percentage of success have you achieved in the appeal process?	Initial Application 64.30% Reconsideration 25.2% Hearing 93.2% Overall 99.5%

## University of Idaho -- Life, AD&amp;D/Disability - Request For Proposal

## Bidding Vendor: Standard Insurance Company

Question Number	Questions	Response
4.29	Will your company consider the insured as having received Social Security benefits even though no benefits have actually been paid? Please explain any situations where your company would reduce the insured's benefit by the amount that may be payable by Social Security even though no Social Security benefits were paid.	<p>Typically, The Standard will pay full benefits while other income claims are pending. This allows disabled individuals to receive much-needed income, while they pursue other income, but will likely result in an overpayment once they receive other income.</p> <p>Disabled individuals may choose to receive LTD benefits we have reduced by estimated deductible income until that income is actually awarded. This allows them to prevent or reduce the overpayment amount that will occur when the deductible benefit is finally paid.</p> <p>We fully explain the impact of other income and the potential for overpayment to a disabled individual at the beginning of the claims process via letters and telephone discussions. We ask the individual to sign an "Agreement to Reimburse" to demonstrate understanding that an overpayment may occur and must be repaid to The Standard. We keep the disabled individual fully informed and conduct regular follow ups to aid in overpayment recovery.</p> <p>When an individual receives deductible income, we promptly calculate any overpayment and send a letter confirming the overpaid amount. We require full repayment at that time, but we may consider other repayment arrangements. Generally, we withhold LTD</p>
4.30	Will you agree to provide University of Idaho with a copy of the Explanation of Benefits (EOB) form sent to all LTD claimants? Please enclose a sample EOB.	Provided, please refer to section D of our proposal for a sample explanation of benefits.
4.31	Will you agree to provide experience reports to University of Idaho (quarterly and annually)?	Agreed
4.32	Will you agree to reinstate coverage, with all restrictions waived, following a lapse in coverage due to a Family Medical Leave Act leave of absence? State your policy with regard to these absences (i.e. pre-existing conditions, etc.).	If you cease to be a Member because of a covered Disability following the Benefit Waiting Period, your insurance will end; however, if you become a Member again immediately after LTD Benefits end, the Eligibility Waiting Period will be waived and, with respect to the condition(s) for which LTD Benefits were payable, the Preexisting Condition Exclusion will be applied as if your insurance had remained in effect during
4.33	Explain your partial disability provision in detail.	During the Benefit Waiting Period and the Own Occupation Period, you are Partially Disabled when you work in your Own Occupation but, as a result of Physical Disease, Injury, Pregnancy or Mental Disorder, you are unable to earn 80% or more of your Indexed Predisability Earnings, in that occupation.
4.34	Provide an example of your partial disability formula as applied for an individual who returns to work on a part-time basis following the 24 month own occupation period. Assume that the employee's pre-disability earnings were \$4,000 per month, and they are now working part-time, earning \$2,500 per month. What would be the partial benefit be in this circumstance?	We will discuss specific benefits scenarios as a finalist.



## QUESTIONNAIRE

## University of Idaho -- Life, AD&amp;D/Disability - Request For Proposal

## Bidding Vendor: Standard Insurance Company

Question Number	Questions	Response
4.35	Provide an example of how to return to work days are counted for an employee who is absent intermittently, for purposes of determining recurrent disability periods (during the elimination period and after benefit commences)?	The Standard is committed to early, comprehensive vocational intervention that will return employees to work and promote partnerships with our policyholders. Our Benefits Analysts, Medical and Vocational staffs evaluate the employee and his or her own job/occupation through job analysis, ergonomics, employee interviews, transferable skill analyses, and medical consultations. We would be happy to work with your Occupational Health Manager, HR Managers, and Supervisors to transition employees back to work through programs which could include light duty, modified work stations, alternate positions, or graduated return to work plans.
4.36	Is a conversion policy available? If so, is there any cost to University of Idaho?	Yes, the cost is and additional .01% of Monthly Earnings
4.37	Describe the rating and funding approach your company contemplates applying to this contract. Also, describe methodology used in developing future renewals.	<p>Our proposal and renewal rating is based on our best prediction of the premium needed to pay the claims incurred in the next year (and our related expenses). We would like to explain our methodology to you, but we also want you to know that we are flexible. We will tailor our methods to each group.</p> <p>Our formulas include two different analyses of experience:</p> <p>First, we look at the demographics. The Standard has thousands of insured groups. We use this data and actuarial tables to analyze the employees (and their occupations) along with the plan design. This information is used to prepare a calculated rate: the best estimate of a group's experience in the long term. When the group is of a smaller size and experience is not credible the underwriter will rely more heavily on this for rating. .</p> <p>Next, we review the recent experience. The industry standard is known as an "Incurred Experience Analysis". This approach applies claims -- reserves and paid claims -- to the time period in which the claim was incurred. We typically look at the most recent five years, and use the resulting formulas to generate an experience rate.</p> <p>These two rates are combined to help us determine the claims we can expect in the future. The Standard does not use future rating to recover losses.</p> <p>After the formulas, The Standard goes "beyond the numbers". We make sure the formula accurately represents future expectations:</p> <p>Did the group have a bad year due to layoffs that we do not expect to repeat in the future?  Was there an unusually large claim that we should discount?  Have plan design changes occurred that will be reflected in the future?  Has the makeup of the group changed, e.g. are they hiring a lot of younger employees?</p> <p>At The Standard, we believe in reasonable rate stability. We will find the correct long term rate rather than jumping around to the last rate a formula suggests.</p> <p>The following are the various components of experience rating a proposal or renewal:</p> <p>Incurred Experience: Experience is analyzed on an Incurred basis. We match the total claims incurred in one year to the adjusted premium from that year. This approach</p>

## University of Idaho -- Life, AD&amp;D/Disability - Request For Proposal

Bidding Vendor: Standard Insurance Company

Question Number	Questions	Response
		<p>claims incurred in one year to the adjusted premium from that year. This approach prevents the experience from being impacted by claims originally incurred many years ago.</p> <p>Earned and Adjusted Premium: Earned Premium includes premium that was actually due during the period shown. It does not include overpayments or adjustments from other periods. Therefore it reflects the group's actual insured volume and is not impacted by payment oddities. This premium is adjusted to the current rate to insure that all years risk gets equal weight, and is not skewed by radical rate changes.</p> <p>Total Incurred Claims: Incurred Claims are made up of three components. We include every claim that was incurred in a given period, including the total cash paid for that claim (all years for that claim), and it's ending reserve. The most recent period will also include a fully funded IBNR (Incurred But Not Reported) Reserve. This represents the claims that have been incurred, but not reported to The Standard. We typically give less weight to this period since the IBNR is an estimate, and often is a substantial portion of the claims in that period.</p> <p>Retention: Retention includes all expenses and risk charges. These include administrative expenses, premium taxes and commissions (when appropriate), claims expenses, etc. The retention is shown based on the current percentage (not historical) applied to the past period's Adjusted Premiums. We are measuring whether the current rate will adequately fund expected claims and expenses.</p> <p>Experience Rate: This rate would have run the experience in the period at breakeven. However, this assumes we believe the experience 100%. The rate includes retention.</p> <p>Loss Ratio: This ratio indicates what percentage of Adjusted Premiums were used for claims. It does not include retention.</p> <p>Life Years &amp; Credibility: A life year is one insured member for one year. It is used to determine credibility: the larger the group, and the longer insured, the more we believe the experience.</p> <p>Experience Formula: We have two major components in our experience formula. We combine the Experience Rate with the Calculated Rate to determine our Blended Rate. The two components are blended based on the credibility.</p>

## QUESTIONNAIRE

## University of Idaho -- Life, AD&amp;D/Disability - Request For Proposal

Bidding Vendor: Standard Insurance Company

Question Number	Questions	Response
4.38	Does your quoted plan include limitations on disabilities from mental/nervous disorders, alcohol/drug abuse and self-reported (or subjective) diagnosis?	<p>Our LTD policy defines Mental Disorders and Substance Abuse (in part) as: Payment of LTD Benefits is limited to 24 months during your entire lifetime for a Disability caused or contributed to by any one or more of the following, or medical or surgical treatment of one or more of the following:</p> <p>1. Mental Disorders; 2. Substance Abuse</p> <p>Mental Disorder means any mental, emotional, behavioral, psychological, personality, cognitive, mood or stress-related abnormality, disorder, disturbance, dysfunction or syndrome, regardless of cause (including any biological or biochemical disorder or imbalance of the brain) or the presence of physical symptoms. Mental Disorder includes, but is not limited to, bipolar affective disorder, organic brain syndrome, schizophrenia, psychotic illness, manic depressive illness, depression and depressive disorders, anxiety and anxiety disorders.</p> <p>Substance Abuse means use of alcohol, alcoholism, use of any drug, including hallucinogens, or drug addiction.</p> <p>Our contract states that if a covered member is confined in a Hospital solely because of a Mental Disorder at the end of the 24 months, the Mental Disorder limitation will not</p>
4.39	Coverage must be written on a no loss/no gain basis. Therefore, actively-at-work provisions must be waived with respect to a participant's coverage under the contract in effect on the day prior to the effective date, except to the extent that an employee is eligible for such benefits due to disability which commenced under the prior plan. Do you agree to write this coverage on a no loss/no gain basis?	Agreed
4.40	Please advise of any minimum participation requirements for the buy-up LTD benefit.	20%. This should not be a problem as the participation in the buy-up plans is over 50%.
<b>Short Term Disability</b>		
5.1	Do you have a formal Return to Work (RTW) program?	Yes
5.2	Do you look for job modifications or light assignments?	Yes
5.3	Do you offer financial incentives for Return to Work efforts?	Yes
5.4	Is the corporate culture of the employer, as well as its industry, taken into consideration in determining the appropriateness of return to work efforts?	Yes
5.5	When determining appropriate durations for disability, which of the following do you rely on?	
	Internal, proprietary guidelines	
	Presley Reed guidelines	We use the MDA Guidelines developed by Presley Reed
	ODG guidelines	
	MDA guidelines	MDA is our primary guideline
	Other	

## QUEST    VAIRE

## University of Idaho -- Life, AD&amp;D/Disability - Request For Proposal

Bidding Vendor: Standard Insurance Company

Question Number	Questions	Response
5.6	Please indicate how frequently each of the following guidelines is updated:	
	Internal/Proprietary	
	Presley Reed guidelines	
	ODG guidelines	
	MDA guidelines	Annually
	Other	
5.7	Does the same claims representative handle a STD to LTD case from start to finish.	No, the STD and LTD Examiner/Analyst will work closely together when transitioning a claim to minimize any impact to the claimant.
5.8	If management of a claim changes with benefit moving from STD to LTD, explain when the change takes place and how the process works. Include timing, data requirements and any applicable charges	As the LTD transition date approaches, the Benefits Analyst or Examiner may request updated medical information, vocational information and/or confirmation of other income from the disabled employee, treating physician, employer or deductible income source. Specific requirements vary between claims; what's mandatory for one claim may be optional for another. Our claims system is hard-coded with periodic mandatory review dates to ensure appropriate follow-up.
5.9	Do you have STD rehabilitative provisions?	Yes
5.10	Are STD rehabilitative plan provisions included in your rates or provided at an additional cost?	The rehabilitative plans are included in our quoted rates.
5.11	If rehabilitative services are provided at an additional rate, please indicate what the charges may be.	rehabilitative services are provided at no additional cost.
5.12	Please list any deviations from the current STD plan provisions as identified in the SPD	None
5.13	Will you provide customized letters (maternity, state specific, letters describing concurrent benefits from integrated programs, appeal/denial, etc.)? If no, please explain.	Yes
5.14	Will costs for the standard reports that are generated for University of Idaho be included in the fees? Please list the standard reports.	<p>Yes, As an eligible subscriber to Reports OnlineSM (ROL), University of Idaho will have access to specified disability claims reports, status information and quarterly case management reports relevant to your plan and claims. With ROL, an authorized staff member with internet access can view the selected materials; download report data to a spreadsheet application, segment reports by subunit (office location, division, tax unit, etc.) and control user access privileges to sensitive information.</p> <p>Life Reports</p> <p>The Standard provides the following two reports on a regular basis and upon request to our life customers:</p>

## QUESTIONNAIRE

## University of Idaho -- Life, AD&amp;D/Disability - Request For Proposal

Bidding Vendor: Standard Insurance Company

Question Number	Questions	Response
		<p>Experience Reports — show the current policy year and all years' experience and are produced annually. These reports illustrate premiums, paid claims and claim reserves. For experience-rated groups, retention is also shown.</p> <p>Claim Experience Reports — list the individual claims that were active and closed during the time period requested. The information includes benefits paid, as well as beginning and ending reserves.</p> <p>Additionally, for the ease of your administrators, the following reports are available online and are updated daily using AdminEASE and Reports Online:</p> <p>Life Claim Status — a listing of all pending and active Life claims, as well as all Life claims closed within the last 90 days.</p> <p>Life Payment Detail — this report provides payment information for all active and pending claims, as well as all closed claims within that last 90 days.</p> <p>Expanded Claim Detail — this report provides a detailed snapshot of all active and pending claims, and closed claims within the last 90 days.</p> <p>Diagnosis Summary — this report provides a breakdown of closed claims in broad categories of related diagnoses within the last 90 days.</p> <p>Disability Reports</p> <p>The following are the various reports available to our disability policyholders:</p> <p>Experience Report — this is a financial statement that shows the current policy year and year's experience. It shows premiums, paid claims, claim reserves and retention. This report is produced at renewal, year-end and upon request.</p> <p>Claim Experience Report — this is a printout that lists the individual claims that were active during the time period requested. The information includes benefits paid, beginning and ending reserves. This report can be produced for any time period from the policy inception date through the current last full month.</p> <p>Group Benefits Activity Report — this report is produced monthly and details information about Long Term Disability and/or Short Term Disability payments and claim decisions or by policyholder location or affiliate.</p> <p>Disability Income Report — this reports yearly totals for benefit payments and tax withholding for each employee who received Long Term Disability and/or Short Term Disability benefits during the calendar year. The report includes all the information a policyholder needs to prepare IRS Form W-2, Wage and Tax statements for STD claimants. The Standard prepares the W-2s for all LTD claimants.</p> <p>Daily FICA Tax Activity Report — this is used to notify policyholders whenever a FICA Tax deduction is made from a claim payment, and gives the amount of Social Security and Medicare tax withheld. A policyholder may use this information when preparing the IRS Form 941, Employer's Quarterly Federal Tax Return. This information can be reported by employer location or affiliate with different taxpayer identification numbers, if requested.</p> <p>The following reports are available for viewing or printing as often as the group desires.</p>

## University of Idaho -- Life, AD&amp;D/Disability - Request For Proposal

Bidding Vendor: Standard Insurance Company

Question Number	Questions	Response
		<p>Many are updated daily to provide the most accurate and timely information possible:</p> <p>Claim Status Reports — Updated Daily:</p> <p>Claim Status — a listing of all incomplete, pending, active and closed STD or LTD claims within the last 30 days for STD or 90 days for LTD.</p> <p>Most Recent Checks — a listing of all benefit checks issued in the last 30 days for STD or 90 days for LTD.</p> <p>Paid Claim Reports:</p> <p>STD — Updated Weekly:</p> <p>Claims to Pay — a listing of all active STD claims and the time period for which benefits are due.</p> <p>Claims in Non-Payment Status — a listing of all incomplete, denied, pending and suspended STD claims.</p> <p>Payment Detail — this shows all STD benefits due for each claimant for the specified period.</p> <p>LTD — Updated Daily:</p> <p>Benefit Calculation Report — this shows pertinent claimant data and benefit calculation detail for all active LTD claims.</p> <p>Case Management Reports — Updated Quarterly:</p> <p>STD Reports:</p> <p>Benefits Paid by Diagnosis — this report shows total benefits paid on all approved but currently closed STD claims incurred during the previous quarter. Reports are sorted by diagnosis type.</p> <p>Claims Duration by Diagnosis — this report gives the length of time from date of disability to date of claim closure for approved but currently closed STD claims incurred during the previous quarter. Reports are sorted by diagnosis type.</p> <p>Claims Duration by Closure Reason — this report indicates the length of time from date of disability to date of claim closure for all STD claims closed during the previous quarter. Reports are sorted by closure reason.</p> <p>Benefits Paid by Occupation — this report provides total benefits paid on all approved but currently closed STD claims incurred during the previous quarter. Reports are sorted by occupation type.</p> <p>Quarterly Paid Claims — this report shows the total benefits paid on active and closed STD claims for the prior four quarters.</p> <p>LTD Reports:</p> <p>Benefits Paid by Diagnosis — this report shows total benefits paid on all approved but</p>

## QUESTIONNAIRE

## University of Idaho -- Life, AD&amp;D/Disability - Request For Proposal

Bidding Vendor: Standard Insurance Company

Question Number	Questions	Response
		currently closed LTD claims incurred during the previous quarter. Reports are sorted by diagnosis type. Claims Duration by Diagnosis — this report gives the length of time from date of disability to date of claim closure for approved but currently closed claims incurred during the previous quarter. Reports are sorted by diagnosis type. Claims Duration by Closure Reason — this report indicates the length of time from date of disability to date of claim closure for all LTD claims closed during the previous quarter. Reports are sorted by closure reason. Benefits Paid by Occupation — this report provides total benefits paid on all approved
5.15	Can University of Idaho run these standard reports at will? Can they be accessed on-line?	Yes, University of Idaho can run standard reports at will and these reports are available on-line.
5.16	Which of the following will be included in your STD performance guarantees (answer "yes" to all that apply)?	Through the Performance Guarantee Program, our policyholders decide what aspects of service are most important to them and rate their satisfaction based on those criteria. The Standard promises to make every effort to meet those overall service expectations.  If we fail to meet expectations, we will refund five percent (5%) of the previous quarter's plan administration expenses, excluding commission, premium tax and risk charges. We automatically offer the Performance Guarantee Program to group policyholders with 1,000 or more insured employees.
	Claims administration/case management	Please see comments above regarding performance guarantees
	Claims turnaround time (including statutory compliance)	Please see comments above regarding performance guarantees
	Claim follow up procedures	Please see comments above regarding performance guarantees
	Financial claim payment accuracy (including statutory compliance)	Please see comments above regarding performance guarantees
	Communication accuracy (e.g., name, address, etc.)	Please see comments above regarding performance guarantees
	Case management documentation	Please see comments above regarding performance guarantees
	Clinical case manager case load	Please see comments above regarding performance guarantees
	Clinical case manager response time	Please see comments above regarding performance guarantees
	Return to work documentation	Please see comments above regarding performance guarantees
	Customer service	Please see comments above regarding performance guarantees
	Call speed to answer	Please see comments above regarding performance guarantees
	Call abandonment rate	Please see comments above regarding performance guarantees
	Inquiry resolution rate	Please see comments above regarding performance guarantees
	Case management documentation	Please see comments above regarding performance guarantees
	Account management implementation	Please see comments above regarding performance guarantees
	Reporting and data timing	Please see comments above regarding performance guarantees
	Reporting and data quality	Please see comments above regarding performance guarantees
	Satisfaction survey results	Please see comments above regarding performance guarantees
	Implementation timeframes, communications and responsiveness	Please see comments above regarding performance guarantees
	Completion of key milestones	Please see comments above regarding performance guarantees
	Stability of Account Manager for minimum timeframe	Please see comments above regarding performance guarantees
	Eligibility file updates	Please see comments above regarding performance guarantees
5.17	Confirm you can guarantee rates for three or more years for short-term disability.	The Standard is offering a three year rate guarantee.
5.18	Confirm renewal rates will be furnished at least 180 days prior to the end of the contract year.	Confirmed

## QUEST LAIRE

## University of Idaho -- Life, AD&amp;D/Disability - Request For Proposal

Bidding Vendor: Standard Insurance Company

Question Number	Questions	Response
5.19	Confirm no commissions, overrides, and/or finder's fees will be paid to any party. All rates should be quoted net of commissions.	Confirmed
5.20	Please indicate the approaches your company takes to prevent abuse:	
	Monitors claims to prevent abuse	Yes
	Administers claims to prevent abuse	Yes
	Investigates claims to prevent abuse	Yes
5.21	Please briefly describe your abuse prevention services	<p>Our Special Investigations Unit (SIU):</p> <ul style="list-style-type: none"> <li>• Conducts anti-fraud training.</li> <li>• Reviews and investigates claims for potential fraud.</li> <li>• Follows through with fraud reporting to applicable state agencies.</li> <li>• Refers fraud cases to appropriate outside law enforcement agencies for criminal prosecution.</li> </ul> <p>Benefits Examiners and Analysts have access to the SIU via email or telephone and also during weekly rounds where the Examiners/Analysts can discuss questionable claims or issues. Our claims system retains disabled individuals' claim records by Social Security Number for up to seven years after the date of claims closure, letting us identify claims the individual previously filed, so we can review them in conjunction with any new claims the individual submits. Our Analysts/Examiners review each new claim for recurrent disability and/or the potential for fraud, if there have been multiple claims filings.</p> <p>Our Nurse Case Managers, Physician Consultants and Vocational Case Managers are also instrumental in identifying potentially fraudulent claims, such as where symptoms are exaggerated, or the insured individual appears to be working. In addition, Supervisors and senior Benefits staff conduct monthly claims audits, which provide</p>
5.22	Please indicate the case management services included for STD	
	Case management is provided	Yes
	Single case manager handles all contact with employee	Yes
	Coordinated communications related to a particular disability; employee does not receive duplicate or conflicting information	Yes
5.23	Do you provide case management or do you contract with a 3rd party?	We provide case management in house.
5.24	Please confirm that you accept legal liability for all claim decisions	Confirmed
5.25	Do you have the ability to provide telephonic intake of claims?	Yes
5.26	Please indicate the level of employee who acts as the initial intake contact when an employee calls with a claim question:	
	Nurse (RN)	
	Trained Customer Service Representative	Initial intake
5.27	Do you charge for deductions and withholding services?	This service is offered at no additional cost to the City.



## QUESTIONNAIRE

## University of Idaho -- Life, AD&amp;D/Disability - Request For Proposal

## Bidding Vendor: Standard Insurance Company

Question Number	Questions	Response
5.28	What kind of documentation of withholding services do you provide?	In response to our customers' requests, The Standard now offers an automated Benefit Contribution Deduction service that itemizes up to 18 deductions per claim for LTD and STD claims payments, for both insurance and non-insurance coverages. The Standard will accumulate all withholdings and remit payment to the policyholder for all their employees once per month. A signed Service Agreement is required. Benefit Contribution Deduction would continue after age 65 as long as the claim remains open.
5.29	Do you prepare and distribution W-2 forms to employees on disability?	We provide annual W-2 tax statements for LTD, ASO STD and insured STD with FICA Tax Service Agreements, and we remit and file all tax withholdings for these products.
5.30	Do you charge for any services associated with providing W-2 forms?	No
<b>Vendor Forms</b>		
6.1	Please provide the standard STD/LTD forms needed to administer a plan similar to the one addressed in this RFP.	Provided, please refer to section D of our proposal for a sample life and disability claim form.
6.2	Please provide a sample Explanation of Benefits	Provided, please refer to section D of our proposal for a sample explanation of benefits.
6.3	Please provide a copy of your standard contracts for each product that you are quoting.	Provided, please refer to section D of our proposal for a sample contract.
6.4	Please attach your standard eligibility feed file format.	Provided, please refer to section D of our proposal for a sample eligibility feed
<b>Proposed Rates</b>		
7.1	Please send your rate tables (in attached Excel format) for all lines of coverage . Please provide rates on a monthly basis	Confirmed.
7.2	Please indicate the length of time for which the rates are guaranteed.	Three years.
<b>References</b>		
8.1	Provide names, addresses and contact information for three current references for which you provide the same services requested by University of Idaho. References should be based on the office that will be providing services to University of Idaho. Two of the listed clients should be of a similar size/composition to University of Idaho.	
	Reference # 1	
	Organization Name:	Auburn University
	Address:	212 Ingram Hall, Auburn, Alabama 36849
	Effective date of contract:	10/1/2009
	Contract and title:	Life, Dep. Life, AD&D, LTD
	Phone number:	334.844.4183
	Number of enrolled employees:	5,200
	Reference # 2	
	Organization Name:	Indiana University
	Address:	400 E 7th Street, Poplars Bldg. Rm E165, Bloomington, IN 47405
	Effective date of contract:	1/1/2004

## University of Idaho -- Life, AD&amp;D/Disability - Request For Proposal

Bidding Vendor: Standard Insurance Company

Question Number	Questions	Response
	Contract and title:	Life, Dep. Life, AD&D, LTD
	Phone number:	812.855.8381
	Number of enrolled employees:	9,450
	Reference # 3	
	Organization Name:	University of Toledo
	Address:	Mail Stop 205 2801 W Bancroft Street, Toledo, OH 43606
	Effective date of contract:	1/1/2008
	Contract and title:	Life, Dep. Life, AD&D, LTD
	Phone number:	419.530.1442
	Number of enrolled employees:	4,900


## QUESTIONNAIRE

## University of Idaho -- Life, AD&amp;D/Disability - Request For Proposal

## Bidding Vendor: Standard Insurance Company

Question Number	Questions	Response
8.2	Provide information for three reference who have terminated within the past 12 months. If possible, two of the listed clients should be of a similar size/composition to University of Idaho.	
	<b>Reference # 1</b>	
	Organization Name:	Asante Health System
	Address:	2635 Siskiyou Boulevard, Medford, OR 97504
	Effective date of contract:	5/1/1996
	Contract and title:	Life, Dep. Life, AD&D, LTD
	Phone number:	541.789.4419
	Number of enrolled employees:	3,400
	Reason for termination:	Rates / Moved to Trust
	Vendor to which the business was lost:	As a courtesy, it is our policy to allow the terminated client to choose whether or not to share their new carrier info with the potential client.
	Description of services provided:	Life, Dep. Life, AD&D, LTD
	<b>Reference # 2</b>	
	Organization Name:	The University of North Dakota
	Address:	264 Centennial Drive, Stop 7127, Grand Forks, ND 58202
	Effective date of contract:	1/1/2008
	Contract and title:	Life, Dep. Life, AD&D
	Phone number:	701.777.4228
	Number of enrolled employees:	3,000
	Reason for termination:	Renewal / Financial
	Vendor to which the business was lost:	As a courtesy, it is our policy to allow the terminated client to choose whether or not to share their new carrier info with the potential client.
	Description of services provided:	Life, Dep. Life, AD&D
	<b>Reference # 3</b>	
	Organization Name:	University of Minnesota
	Address:	319 15th Avenue SE, Minneapolis, MN 55455
	Effective date of contract:	12/1/2006
	Contract and title:	STD, LTD
	Phone number:	612.626.0094
	Number of enrolled employees:	4,600 – STD 12,600 – LTD
	Reason for termination:	Lower Rates
	Vendor to which the business was lost:	As a courtesy, it is our policy to allow the terminated client to choose whether or not to share their new carrier info with the potential client.
	Description of services provided:	STD, LTD
8.3	Indicate the number and percentage of employer clients your organization contracts with for the products requested in this RFP for employers with 1,000 - 5,000 employees.	
	Number of employers:	871
	Percentage of your base book of business:	3%
	Total Number of subscribers:	3,633,233

QUESTIONNAIRE

<b>University of Idaho -- Life, AD&amp;D/Disability - Request For Proposal</b>		
<b>Bidding Vendor: Standard Insurance Company</b>		
Question Number	Questions	Response
<div style="border: 1px solid black; padding: 5px; margin-bottom: 10px;"> <b>Certification</b> </div> <div style="display: flex; justify-content: space-between;"> <div style="width: 60%;"> <p>INSURANCE COMPANY <u>Standard Insurance Company</u></p> <p>SIGNATURE <u></u></p> </div> <div style="width: 35%;"> <p>DATE <u>6-1-72</u></p> <p>TITLE <u>AVP, Customer Support</u></p> </div> </div>		



## Proposer Exceptions

## SECTION 6 - GENERAL CONTRACTUAL TERMS AND CONDITIONS

6-1 AGREEMENT TERMS AND CONDITIONS

The submission of a proposal herein constitutes the agreement of any Proposer that any Agreement to be drawn as the result of an award herein shall be prepared by the University and shall include at a minimum, all terms and conditions set forth in this RFP. The submission of a proposal shall further constitute the agreement of each Proposer that it will not insist on the use of standard contract agreements, documents, or forms, and that it waives any demand for the use of its standard agreements. The Agreement between the parties shall consist of, in order of precedence: the agreement document signed by the Parties subsequent to submission of the proposal, and any attachments thereto and incorporations therein, the terms and conditions in the RFP, the Proposer's group insurance policy or policies, and the Proposer's response to the RFP.

Provided, however, that the Proposer's group insurance policy or policies shall govern eligibility for insurance and benefits, and Proposer's rights to amend, re-rate and terminate its group insurance policy or policies.

We cannot agree to the highlighted sentence above. We must issue a group insurance policy, which is filed with and approved by the Idaho DOI. So our group insurance policy must be a part of any agreement.

6-2 ASSIGNMENT

No assignment of this Agreement or of any right accruing under this Agreement shall be made, in part or in whole, by Contractor without the written consent of the University. Notwithstanding any assignment, Contractor shall remain fully liable on this Agreement and shall not be released from performing any of the terms, covenants, and conditions of this Agreement.

6-3 TERMINATION FOR CONVENIENCE

The University may terminate this Agreement, in whole or in part, at any time by written notice to the Contractor. The Contractor shall be paid its reasonable costs, including reasonable close-out costs and a reasonable profit on work performed up to the time of termination. The Contractor shall promptly submit its termination claim for payment. If the Contractor has any property in its possession belonging to the University, the Contractor will account for the same and dispose of it in the manner the University directs.

6-4 TERMINATION FOR DEFAULT

If the Contractor does not deliver the materials in accordance with the Contract delivery schedule, or if the Contract is for services and the Contractor fails to perform in the manner called for in the Contract, or if the Contractor fails to comply with any other provisions of the Contract, the University may terminate this Contract for default. Termination shall be effected by serving on the Contractor a notice of termination setting forth the manner in which the Contractor is in default. The Contractor will be paid a reasonable price for materials delivered and accepted, or services performed in accordance with the manner of performance set forth in the Contract.

6-5 APPLICABLE LAW AND FORUM

This Agreement shall be construed in accordance with, and governed by the laws of the State of Idaho. Any legal proceeding related to this Agreement shall be instituted in the courts of the county of Latah, state of Idaho, and Contractor agrees to submit to the jurisdiction of such courts.

Provided, however, this shall not apply to any legal proceedings that arise out of or are related to a benefits decision under Proposer's group insurance policies.

6-6 LAWS, REGULATIONS AND PERMITS

The Contractor shall give all notices required by law and comply with all applicable Federal, State, and local laws, ordinances, rules and regulations relating to the conduct of the work. The Contractor shall be liable for all violations of the law in connection with work furnished by the Contractor, including the Contractor's subcontractors.

6-7 GENERAL QUALITY

All of the Contractor's work shall be performed with the highest degree of skill and completed in accordance with the Agreement Documents.



6-8 PROOF OF COMPLIANCE WITH AGREEMENT

In order that the University may determine whether the Contractor has complied with the requirements of the Agreement Documents, the Contractor shall, at any time when requested, submit to the University properly authenticated documents or other satisfactory proofs as to compliance with such requirements.

6-9 PAYMENT AND ACCEPTANCE

Except as otherwise provided herein, payments shall be due and payable within (30) days after acceptance of such goods or services or after receipt of properly completed invoice, whichever is later. No advance payment shall be made for goods or services furnished pursuant to this Agreement.

6-10 CONTINUATION DURING DISPUTES

The Contractor agrees that notwithstanding the existence of any dispute between the parties, insofar as possible under the terms of the Agreement to be entered into, each party will continue to perform the obligations required of it during the continuation of any such dispute, unless enjoined or prohibited by any court.

6-11 SEVERABILITY

If any term or condition of this Agreement or the application thereof to any person(s) or circumstances is held invalid, such invalidity shall not affect other terms, conditions or applications which can be given effect without the invalid term, condition or application; to this end the terms and conditions of this Agreement are declared severable.

6-12 INTEGRATION

This Agreement constitutes the entire Agreement between the parties. No change thereto shall be valid unless in writing communicated in the stipulated manner, and signed by the University and the Contractor.

6-13 BINDING EFFECT

This Agreement is for the benefit only of the parties hereto and shall inure to the benefit of and bind the parties hereto and their respective heirs, legal representatives, successors, and assigns.

6-45 APPROPRIATIONS CLAUSE

If the term of this Agreement is longer than one year, the University's obligations and liabilities hereunder are subject to the appropriation of funds from the State of Idaho, which appropriation shall be in the State of Idaho's sole discretion, from revenues legally available to the University for the ensuing fiscal year for the purposes of this Agreement. If the State of Idaho does not appropriate the funds for the purpose of this Agreement, the Agreement shall terminate and neither party shall have any further obligations hereunder.

6-15 IRS SECTION 501(C)(3) AND SECTION 115 CONSIDERATIONS

If any provision of this Agreement may cause the University to lose its status as an Internal Revenue Code Section 501(c)(3) corporation, this Agreement shall be voidable. In the alternative, at the sole option of the University, the offending provision(s) shall be modifiable such that the provision(s) will no longer cause the University to lose its status as a 501(c)(3) corporation. The terms of the modification shall be subject to agreement in writing by all parties.

6-16 COMPLIANCE WITH GOVERNOR'S EXECUTIVE ORDER

In the event any provision of this Agreement shall cause the University to be in violation of any of the Governor of Idaho's Executive Orders, then this Agreement shall be voidable at the sole option of the University.



6-17 DEBARRED, SUSPENDED OR EXCLUDED

All purchase orders and contracts issued by the University of Idaho are subject to F.A.R. 52.209-6. Supplier warrants that neither supplier or its principals is presently debarred, suspended or proposed for debarment by the Federal Government.

6-18 NON-USE OF NAMES AND TRADEMARKS

Contractor shall not use the name, trade name, trademark, or other designation of the University, or any contraction, abbreviation, or simulation any of the foregoing, in any advertisement or for any commercial or promotional purpose (other than in performing under this Agreement) without the University's prior written consent in each case.

6-19 CONTRACTOR REPRESENTATIONS

Contractor represents and warrants the following: (a) that it is financially solvent, able to pay its debts as they mature, and possessed of sufficient working capital to provide the equipment and goods, complete the services, and perform its obligations required hereunder; (b) that it is able to furnish any of the plant, tools, materials, supplies, equipment, and labor required to complete the services required hereunder and perform all of its obligations hereunder and has sufficient experience and competence to do so; (c) that it is authorized to do business in Idaho, properly licensed by all necessary governmental and public and quasi-public authorities having jurisdiction over it and the services, equipment, and goods required hereunder, and has or will obtain all licenses and permits required by law; and (d) that it has visited the site of the project and familiarized itself with the local conditions under which this Agreement is to be performed.

6-20 REGENTS' APPROVAL

This Agreement may be subject to approval by the Regents of the University of Idaho, and if it is and if such approval is not granted this Agreement shall be void and neither party shall have any further obligations or liabilities hereunder.

6-21 SURVIVAL OF TERMS

The terms and provisions hereof, and all documents being executed hereunder, if any, including, without limitation, the representations and warranties, shall survive this Agreement and shall remain in full force and effect thereafter.

6-22 HEADINGS

The headings contained in this Agreement are for reference purposes only and shall not in any way affect the meaning or interpretation hereof.

6-23 ADDITIONAL ACTS

Except as otherwise provided herein, in addition to the acts and deeds recited herein and contemplated to be performed, executed and/or delivered by the parties, the parties hereby agree to perform, execute and/or deliver or cause to be performed, executed and/or delivered any and all such further acts, deeds and assurances as any party hereto may reasonably require to consummate the transaction contemplated hereunder.

6-24 TIME OF ESSENCE

All times provided for in this Agreement, or in any other document executed hereunder, for the performance of any act will be strictly construed, time being of the essence.

6-25 WAIVER

No covenant, term or condition or the breach thereof shall be deemed waived, except by written consent of the party against whom the waiver is claimed, and any waiver of the breach of any covenant, term or condition shall not be deemed to be a waiver of any other covenant, term or condition herein. Acceptance by a party of any performance by another party after the time the same shall have become due shall not constitute a waiver by the first party of the breach or default of any such covenant, term or condition unless otherwise expressly agreed to by the first party in writing.

6-26 FORCE MAJEURE

Any prevention, delay or stoppage due to strikes, lockouts, labor disputes, acts of God, inability to obtain labor or materials or reasonable substitutes therefore, governmental restrictions, governmental regulations, governmental controls, enemy or hostile governmental action, civil commotion, fire or other casualty, and other causes beyond the reasonable control of the party obligated to perform (except for financial ability), shall excuse the performance, except for the payment of money, by such party for a period equal to any such prevention, delay or stoppage.

6-27 NO JOINT VENTURE

Nothing contained in this Agreement shall be construed as creating a joint venture, partnership, or agency relationship between the parties.

6-28 INFORMATION TRUE AND CORRECT

All documents, agreements and other information provided to the University by Contractor or which Contractor has caused to be provided to the University are true and correct in all respects and do not omit to state any material fact or condition required to be stated, necessary to make the statement or information not misleading, and there are no other agreements or conditions with respect thereto.

6-29 EQUAL OPPORTUNITY

Contractor represents and agrees that it will not discriminate in the performance of this Agreement or in any matter directly or indirectly related to this Agreement on the basis of race, color, religion, national origin, sex, sexual orientation, gender identity/expression, age, disability or status as a Vietnam era veteran. This non-discrimination requirement includes, but is not limited to, any matter directly or indirectly related to employment. Breach of this covenant may be regarded as a material breach of Agreement.

6-30 PUBLIC RECORDS

The University is a public agency. All documents in its possession are public records. Proposals are public records and will be available for inspection and copying by any person upon completion of the RFP process. If any Proposer claims any material to be exempt from disclosure under the Idaho Public Records Law, the Proposer will expressly agree to defend, indemnify and hold harmless the University from any claim or suit arising from the University's refusal to disclose any such material. No such claim of exemption will be valid or effective without such express agreement. The University will take reasonable efforts to protect any information marked "confidential" by the Proposer, to the extent permitted by the Idaho Public Records Law. Confidential information must be submitted in a separate envelope, sealed and marked "Confidential Information" and will be returned to the Proposer upon request after the award of the contract. It is understood, however, that the University will have no liability for disclosure of such information. Any proprietary or otherwise sensitive information contained in or with any Proposal is subject to potential disclosure.



6-31 UNIVERSITY'S RULES, REGULATIONS, AND INSTRUCTIONS

Contractor will follow and comply with all rules and regulations of the University and the reasonable instructions of University personnel. The University reserves the right to require the removal of any worker it deems unsatisfactory for any reason.

# ADDITIONAL TERMS AND CONDITIONS SPECIFIC TO INFORMATION SECURITY AND DATA MANAGEMENT:

## 6-34 Data Compromise Response

- a. Immediately upon becoming aware of a Data Compromise, or of circumstances that could have resulted in unauthorized access to or disclosure or use of Customer or End User Data, Vendor will notify Customer, fully investigate the incident, and cooperate fully with Customer's investigation of and response to the incident. Except as otherwise required by law, Vendor will not provide notice of the incident directly to the persons whose data were involved, regulatory agencies, or other entities, without prior written permission from Customer.
- b. Notwithstanding any other provision of this agreement, and in addition to any other remedies available to Customer under law or equity, Vendor will reimburse Customer in full for all costs incurred by Customer in investigation and remediation of such Data Compromise, including but not limited to providing notification to third parties whose data were compromised and to regulatory agencies or other entities as required by law or contract; the offering of 12 months' credit monitoring to each person whose data were compromised; and the payment of legal fees, audit costs, fines, and other fees imposed by regulatory agencies or contracting partners as a result of the Data Compromise.

## 6-35 Data Integrity

Vendor will take commercially reasonable measures, including regular data integrity audits, to protect Customer and End User Data against deterioration or degradation of data quality and authenticity.

## 6-36 Data Privacy

- a. Vendor will use Customer Data and End User Data only for the purpose of fulfilling its duties under this Agreement and for Customer's and its End User's sole benefit, and will not share such data with or disclose it to any third party without the prior written consent of Customer or as otherwise required by law. By way of illustration and not of limitation, Vendor will not use such data for Vendor's own benefit and, in particular, will not engage in "data mining" of Customer or End User Data or communications, whether through automated or human means, except as specifically and expressly required by law or authorized in writing by Customer.
- b. All Customer and End User Data will be stored on servers, located solely within the Continental United States.
- c. Vendor will provide access to Customer and End User Data only those Vendor employees and subcontractors who need to access the data to fulfill Vendor's obligations under this Agreement. Vendor will ensure that employees who perform work under this Agreement have read, understood, and received appropriate instruction as to how to comply with, the data protection provisions of this Agreement, and have undergone all background screening and possess all qualifications appropriate to the nature of the employees' duties and the sensitivity of the data they will be handling prior to being granted access to the Data.

## 6-37 Data Retention and Disposal

- a. Vendor will use commercially reasonable efforts to retain data in an End User's account, including attachments, until the End User deletes them or for an alternative time period mutually agreed by the parties.
- b. Using appropriate and reliable storage media, Vendor will regularly back up Customer and End User Data and retain such backup copies for a minimum of 12 months. At the end of that time period and at Customer's election, Vendor will either securely destroy or transmit to Customer repository the backup copies. Upon Customer's request, Vendor will supply Customer a certificate indicating the records destroyed, the data destroyed, and the method of destruction used.



- c. Vendor will retain logs associated with End User activity for a minimum of 12 Months, unless the parties mutually agree to a different period.
- d. Vendor will immediately place a "hold" on the destruction under its usual records retention policies of records that include Customer and End User Data, in response to an oral or written request from Customer indicating that those records may be relevant to litigation that Customer reasonably anticipates. Oral requests by Customer for a hold on record destruction will be reduced to writing and supplied to Vendor for its records as soon as reasonably practicable under the circumstances. Customer will promptly coordinate with Vendor regarding the preservation and disposition of these records. Vendor shall continue to preserve the records until further notice by Customer.

#### 6-38 Data Security and Integrity [under review by IT security personnel]

- a. All facilities used to store and process Customer and End User data will employ commercial best practices, including appropriate administrative, physical, and technical safeguards, to secure such data from unauthorized access, disclosure, alteration, and use. Such measures will be no less protective than those used to secure Vendor's own data of a similar type, and in no event less than reasonable in view of the type and nature of the data involved. Without limiting the foregoing, Vendor warrants that all Customer Data and End User Data will be encrypted in transmission (including via web interface) and storage at no less than 128 bit level encryption. Vendor agrees and certifies that it, the system or any third parties working on the vendor's behalf have complied with all applicable requirements to be considered PCI- level 1 compliant and has taken all necessary steps to validate its compliance with the PCI DSS and PA DSS. Vendor is required to demonstrate compliance with this requirement by maintaining the application listing on The PCI Security Standards Council (see [https://www.pcisecuritystandards.org/approved\\_companies\\_providers/validated\\_payment\\_applications.php?agree=true](https://www.pcisecuritystandards.org/approved_companies_providers/validated_payment_applications.php?agree=true)).
- b. Vendor will use industry standard and up to date security tools and technologies such as anti-virus protections and intrusion detection methods in providing Services under this Agreement.
- d. Vendor will at its expense conduct or have conducted at least annually:
  - A SAS 70 audit of Vendor's security policies, procedures and controls resulting in the issuance of a Service Auditor's Report Type II;
  - A vulnerability scan, performed by a scanner approved by Customer, of Vendor's systems and facilities that are used in any way to deliver services under this Agreement; and
  - A formal penetration test, performed by a process and qualified personnel approved by Customer, of Vendor's systems and facilities that are used in any way to deliver services under this Agreement.
- e. Vendor will provide Customer upon request the results of the above audits, scans and tests, and will promptly modify its security measures as needed based on those results in order to meet its obligations under this Agreement. Customer may require, at its expense, Vendor to perform additional audits and tests, the results of which will be provided promptly to Customer.

#### 6-39 Data Transfer upon Termination or Expiration

- a. Upon termination or expiration of this Agreement, Vendor will ensure that all Customer and End User Data are transferred to Customer or a third party designated by Customer securely, within a reasonable period of time, and without significant interruption in service. Vendor will ensure that such migration uses facilities and methods are compatible with the relevant systems of the transferee, and to the extent technologically feasible, that Customer will have reasonable access to Customer and End User Data during the transition.
- b. Vendor will notify Customer of impending cessation of its business or that of a tiered provider and any contingency plans in the event of notice of such a failure. This includes immediate transfer of any previously escrowed assets and data and providing Customer access to Vendor's facilities to remove and destroy Customer owned assets and data. Vendor shall implement its exit plan and take all necessary actions to ensure a smooth transition of service with minimal disruption to Customer. Vendor will provide a fully documented service description and perform and document a gap analysis by examining any differences between its services and those to be provided by its successor. Vendor will also provide a full inventory and configuration of servers, routers, other hardware, and software involved in service delivery along with



supporting documentation, indicating which if any of these are owned by or dedicated to Customer. Vendor will work closely with its successor to ensure a successful transition to the new equipment, with minimal downtime and effect on Customer, all such work to be coordinated and performed in advance of the formal, final transition date.

#### 6-40 Response to Legal Orders, Demands or Requests for Data

- a. Except as otherwise expressly prohibited by law, Vendor will:
  - Immediately notify Customer of any subpoenas, warrants, or other legal orders, demands or requests received by Vendor seeking Customer and/or End User Data;
  - Consult with Customer regarding its response;
  - Cooperate with Customer's reasonable requests in connection with efforts by Customer to intervene and quash or modify the legal order, demand or request; and
  - Upon Customer's request, provide Customer with a copy of its response.
- b. If Customer receives a subpoena, warrant, or other legal order, demand or request seeking Customer or End User Data maintained by Vendor, Customer will promptly provide a copy to Vendor. Vendor will promptly supply Customer with copies of data required for Customer to respond, and will cooperate with Customer's reasonable requests in connection with its response.

#### 6-41 Service Levels; Interruptions in Service; Suspension and Termination of Service; Changes to Service:

- a. Vendor warrants that the Services will be performed in a professional and workmanlike manner consistent with industry standards reasonably applicable to such Services. Vendor further warrants that the Services will be Operational at least 99.99% of the time in any given month during the term of this Agreement, meaning that the outage or downtime percentage will be not more than .01%. In the event of a Service outage, Vendor will (a) promptly and at Vendor's expense use commercial best efforts to restore the Services as soon as possible, and (b) unless the outage was caused by a Force Majeure event, refund or credit Customer, at Customer's election, the prorated amount of fees corresponding to the time Services were unavailable. Neither party will be liable to the other for any failure or delay in performance under this Agreement to the extent said failures or delays are proximately caused by forces beyond that party's reasonable control, provided that the party resumes performance as soon as it is reasonably able to do so.
- b. From time to time it may be necessary or desirable for either the Customer or Vendor to propose changes in the Services provided. Such changes shall be made pursuant to the Change Control Procedure. Automatic upgrades to any software used by Vendor to provide the Services that simply improve the speed, efficiency, reliability, or availability of existing Services and do not alter or add functionality, are not considered "changes to the Services" and such upgrades will be implemented by Vendor on a schedule no less favorable than provided by Vendor to any other customer receiving comparable levels of Services.
- c. Vendor will provide Customer with seven days' prior notice of scheduled downtime in the provision of Services for maintenance or upgrades. To the extent possible, Vendor will schedule downtime during times of ordinarily low use by Customer. In the event of unscheduled and unforeseen downtime for any reason, except as otherwise prohibited by law Vendor will promptly notify Customer and cooperate with Customers' reasonable requests for information regarding the downtime.
- d. Customer may suspend or terminate (or direct Vendor to suspend or terminate) an End User's access to Services in accordance with Customer's policies. Customer will assume sole responsibility for any claims made by End User regarding Customer's suspension/termination or directive to suspend/terminate such service. Vendor may suspend access to Services by Customer or an End User immediately in response to an act or omission that reasonably appears to jeopardize the security or integrity of Vendor's Services or the network(s) or facilities used to provide the Services. Suspension will be to the minimum extent, and of the minimum duration, required to prevent or end the security issue. Vendor may suspend Customer's access to Services if, after at least thirty (30) days' written notice to Customer and subsequent good faith, commercially reasonable efforts to resolve the matter with Customer to the parties' mutual satisfaction, Customer remains in material breach of this Agreement. The suspension will be lifted immediately once the breach is cured. Vendor may suspend access to Services by an End User in response to (i) a material breach by End User of any terms of use s/he has

agreed to in connection with receiving the Services. Vendor will notify Customer of any suspension of End User access to Services before suspension or, if notice before is not feasible, as soon as reasonably possible thereafter.

The Standard has 15 codified and approved policies and standards based on ISO 17799:2005. Several of these policies and standards deal specifically with privacy and security, as well as data classification, operational management, data processing and access management.

The Standard has an Information Security team dedicated to handling security and privacy incidents and the identification and assessment of risk for the company. We also have a Privacy Oversight Group, with representation from all parts of the business, to provide governance. The Standard requires all employees to take annual training in the following three areas: privacy and security awareness, acceptable system usage and business ethics. The codified policies are part of the privacy and security awareness and acceptable system usage training.

In addition to our dedication to customer privacy and confidentiality we are ailing to negotiate the specific terms of this data security agreement upon notification as a finalist.



## SECTION 7 – INDEMNITY, RISKS OF LOSS, INSURANCE

7-1 RISK OF LOSS

Until all improvements, equipment, or goods to be provided under this Agreement are installed on property owned or controlled by University and working properly, Contractor and its subcontractors of any tier shall bear all risks of all loss or damage to the improvements, equipment, or goods, excluding loss or damage caused by acts, omissions, or negligence of the University. Once all improvements, equipment, or goods to be provided under this Agreement are installed on property owned or controlled by University and working properly, the risk of all loss or damage shall be borne by University, excluding loss or damage caused by acts, omissions, or negligence of the Contractor. Contractors shall require its subcontractors of any tier to bear the same risk of loss.

7-2 INDEMNIFICATION

Contractor shall indemnify, defend and hold the University and the State of Idaho harmless from and against any and all claims, losses, damages, injuries, liabilities and all costs, including attorneys fees, court costs and expenses and liabilities incurred in or from any such claim, arising from any breach or default in the performance of any obligation on Contractor's part to be performed under the terms of this Agreement, or arising from any act, negligence or the failure to act of Contractor, or any of its agents, subcontractors, employees, invitees or guests. Contractor, upon notice from the University, shall defend the University at Contractor's expense by counsel reasonably satisfactory to the University. Contractor, as a material part of the consideration of the University, hereby waives all claims in respect thereof against the University.

Contractor shall: (a) notify the University in writing as soon as practicable after notice of an injury or a claim is received; (b) cooperate completely with the University and/or the University's insurers in the defense of such injury or claim; and (c) take no steps such as admission of liability which would prejudice the defense or otherwise prevent the University from protecting the University's interests.

## 7-3 Insurance

## 7.3.1 General Requirements

7.3.1.1 Contractor and its subcontractor(s) of any tier are required to carry the types and limits of insurance shown in this insurance clause, section 8.0, and to provide University with a Certificate of Insurance ("certificate"). All certificates shall be coordinated by the Contractor and provided to the University within seven (7) days of the signing of the contract by the Contractor. Certificates shall be executed by a duly authorized representative of each insurer, showing compliance with the insurance requirements set forth below. All certificates shall provide for thirty (30) days' written notice to University prior to cancellation, non-renewal, or other material change of any insurance referred to therein as evidenced by return receipt of United States certified mail. Said certificates shall evidence compliance with all provisions of this section 7.3. Exhibit A of this Agreement contains a Request for Certificate of Insurance which shall be given to the insurance broker or agent of the Contractor and its subcontractor(s) of any tier, upon award of bid to Contractor.

7.3.1.2 Additionally and at its option, Institution may request certified copies of required policies and endorsements. Such copies shall be provided within (10) ten days of the Institution's request.

7.3.1.3 All insurance required hereunder shall be maintained in full force and effect with insurers with Best's rating of AV or better and be licensed and admitted in Idaho. All policies required shall be written as primary policies and not contributing to nor in excess of any coverage University may choose to maintain. Failure to maintain the required insurance may result in termination of this Agreement at University's option.

7.3.1.4 All policies except Workers Compensation and Professional Liability shall name University as Additional Insured. The Additional Insured shall be stated as: "State of Idaho and The Regents of the University of Idaho". Certificate Holder shall read: "University of Idaho." Certificates shall be mailed to: University of Idaho, Risk Management, P.O. Box 443162, Moscow, ID 83844-3162.

7.3.1.5 Failure of University to demand such certificate or other evidence of full compliance with these insurance requirements or failure of Institution to identify a deficiency from evidence that is provided shall not be construed as a waiver of the obligation of Contractor and its subcontractor(s) of any tier to maintain such insurance.

7.3.1.6 No Representation of Coverage Adequacy. By requiring insurance herein, University does not represent that coverage and limits will necessarily be adequate to protect Contractor and its subcontractor(s) of any tier, and such coverage and limits shall not be deemed as a limitation on the liability of the Contractor and its subcontractor(s) of any tier under the indemnities granted to University in this Agreement.

8.1.7 Contractor is responsible for coordinating the reporting of claims and for the following: (a) notifying the Institution in writing as soon as practicable after notice of an injury or a claim is received; (b) cooperating completely with University in the defense of such injury or claim; and (c) taking no steps (such as admission of liability) which will prejudice the defense or otherwise prevent the University from protecting its interests.

### 7.3.2 Required Insurance Coverage.

Contractor and its subcontractor(s) of any tier shall at its own expense obtain and maintain:

7.3.2.1 Commercial General and Umbrella / Excess Liability Insurance. Contractor and its subcontractor(s) of any tier shall maintain Commercial General Liability ("CGL") written on an occurrence basis and with a limit of not less than \$1,000,000 each occurrence and in the aggregate. If such CGL insurance contains a general aggregate limit, it shall apply separately by location and shall not be less than \$1,000,000. CGL insurance shall be written on standard ISO occurrence form (or a substitute form providing equivalent coverage) and shall cover liability arising from premises, operations, independent contractors, products-completed operations, personal injury and advertising injury, and liability assumed under a contract including the tort liability of another assumed in a business contract. Waiver of subrogation language shall be included. If necessary to provide the required limits, the Commercial General Liability policy's limits may be layered with a Commercial Umbrella or Excess Liability policy.

7.3.2.2 Commercial Auto Insurance. Contractor and its subcontractor(s) of any tier shall maintain a Commercial Auto policy with a Combined Single Limit of not less than \$1,000,000; Underinsured and Uninsured Motorists limit of not less than \$1,000,000; Comprehensive; Collision; and a Medical Payments limit of not less than \$10,000. Coverage shall include Non-Owned and Hired Car coverage. Waiver of subrogation language shall be included.

7.3.2.3 Business Personal Property. Contractor and its subcontractor(s) of any tier shall purchase insurance to cover Business Personal Property of Contractor and its subcontractor(s) of any tier. In no event shall University be liable for any damage to or loss of personal property sustained by Contractor, even if such loss is caused by the negligence of Institution, its employees, officers or agents. Waiver of subrogation language shall be included.

7.3.2.4 Workers' Compensation. Contractor and its subcontractor(s) of any tier shall maintain all coverage statutorily required of the Contractor and its subcontractor(s) of any tier, and coverage shall be in accordance with the laws of Idaho. Contractor and its subcontractor(s) of any tier shall maintain Employer's Liability with limits of not less than \$100,000 / \$500,000 / \$100,000.

7.3.2.4 Professional Liability. If professional services are supplied to Institution, Contractor and its subcontractor(s) of any tier, Contractor and its subcontractor(s) of any tier shall maintain Professional Liability (Errors & Omissions) insurance on a claims made basis, covering claims made during the policy period and reported within three years of the date of occurrence. Limits of liability shall be not less than one million dollars (\$1,000,000).





Purchasing Services  
1028 W. 6<sup>th</sup> Street  
P.O. Box 442006  
Moscow, Idaho 83844-2006

**REQUEST FOR PROPOSALS NO. 12-46J**

**FOR**

**Employee Benefits  
Life and Disability Insurance**

For Additional Information, Please Contact:  
Christopher P. Johnson, C.P.M.: Director  
Phone (208) 885-6116  
Fax (208) 885-6060  
cjohnson@uidaho.edu  
[www.purchasing.uidaho.edu](http://www.purchasing.uidaho.edu)

Date Issued: May 7, 2012  
Vendors requesting Attachments  
Proposals Due: June 6, 2012

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## UNIVERSITY OF IDAHO REQUEST FOR PROPOSALS NO. 12-46J

## PROPOSAL RESPONSE CERTIFICATION

\_\_\_\_\_  
DATE

The undersigned, as Proposer, declares that they have read the Request for Proposals, and that the following proposal is submitted on the basis that the undersigned, the company, and its employees or agents, shall meet, or agree to, all specifications contained therein. It is further acknowledged that addenda numbers \_\_\_\_\_ to \_\_\_\_\_ have been received and were examined as part of the RFP document.

\_\_\_\_\_  
Name

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Title

\_\_\_\_\_  
Company

\_\_\_\_\_  
Street Address

\_\_\_\_\_  
City, State, Zip

\_\_\_\_\_  
Telephone Number and Fax Number

\_\_\_\_\_  
Cell Phone Number

\_\_\_\_\_  
E-mail Address

\_\_\_\_\_  
State of Incorporation

\_\_\_\_\_  
Tax ID Number

Business Classification Type (Please check mark if applicable):

Minority Business Enterprise (MBE)	_____
Women Owned Business Enterprise (WBE)	_____
Small Business Enterprise (SBE)	_____
Veteran Business Enterprise (VBE)	_____
Disadvantaged Business Enterprise (DBE)	_____

*Business Classification Type is used for tracking purposes, not as criteria for award.*

## SECTION 1 - INSTRUCTIONS TO PROPOSERS

1-1 SCOPE OF WORK

The University of Idaho (herein referred to as the University) is soliciting proposals for competitive group life, group long-term disability (LTD) and group short-term disability (STD) options for the benefits eligible employees of University of Idaho.

Currently the program is administered through two vendors, Hartford and the Standard. Management would like to reduce the complexity of administration of two carriers into one while obtaining competitive rates if warranted. The University is requesting bid submissions as follows:

- Life/AD&D Insurance only
- Disability Insurance only
- Life/AD&D Insurance and Disability Insurance

1-2 PROPOSAL SUBMISSION

Proposal must be **SEALED and CLEARLY IDENTIFIED** with the Request for Proposals' number, due date and time, Proposer's name and address, and submitted no later than 4:00 p.m., Pacific Time, on June 6, 2012 to University of Idaho Purchasing Services, 1028 W. 6<sup>th</sup> Street, P.O. Box 442006, Moscow, ID 83844-2006.

A facsimile response or an electronic response to this Request for Proposals does not meet the requirement of a sealed proposal and will not be accepted.

The proposal must be signed by such individual or individuals who have full authority from the Proposer to enter into a binding Agreement on behalf of the Proposer so that an Agreement may be established as a result of acceptance of the proposal submitted. *By submitting a proposal, the Proposer is accepting the terms and conditions set forth in this Request for Proposal, and any addendums thereto, which includes general contract terms and conditions and purchase order terms and conditions.* The terms and conditions set forth in the Request for Proposals, including addendums thereto, and the Proposal and any terms and conditions included therein that are accepted by the University shall serve as the Agreement terms and conditions. The Agreement shall be subject to the applicable laws of the State of Idaho. The order of precedence of Agreement documents shall be RFP then Proposal. In addition, the Purchase Order terms and conditions shall apply to all purchase orders used under this contract. No other terms and conditions shall apply unless agreed to in writing by the parties.

Proposals received after the exact time specified for receipt will not be considered.

1-3 REQUEST FOR PROPOSAL SCHEDULE

May 7, 2012 Request for Proposals issued

May 17, 2012 Inquiries Due @ 2:00 PM Pacific

June 6, 2011 Proposals Due @ 4:00 PM Pacific

1-4 INQUIRIES

**All inquiries concerning this request shall be submitted in writing (email is acceptable) and received by the University's office of Purchasing Services no later than 2:00 p.m., Pacific Time, on May 17, 2012, to:**

Christopher Johnson, Director  
University of Idaho  
Purchasing Services

1028 West 6<sup>th</sup> Street  
P.O. Box 4442006  
Moscow, ID 83844-2006  
Telephone: (208) 885-6116  
Fax: (208) 885-6060  
E-mail: [cjohnson@uidaho.edu](mailto:cjohnson@uidaho.edu)

Proposers should consider Purchasing Services as the first and prime point of contact on all matters related to the procedures associated with this RFP. If additional information is needed from any source, Purchasing Services will work with the Proposer and with the various offices of the University to gather that information.

**1-5 INTERPRETATION, CORRECTIONS, OR CHANGES IN RFP**

Any interpretation, correction, or change in the RFP will be made by addendum by the University. Interpretations, corrections, or changes to the RFP made in any other manner will not be binding, and no Proposer may rely upon any such interpretation, correction, or change.

**1-6 MODIFICATION OR WITHDRAWAL OF PROPOSALS**

A Proposer may modify or withdraw a proposal at any time prior to the specified time and date set for the proposal closing. Such a request for modification or withdrawal must be in writing, and executed by a person with authority as set forth under paragraph 1-2 above, or by facsimile notice subsequently confirmed in writing.

**1-7 ERASURES AND INTERLINEATIONS**

Erasures, interlineations, or other changes in the proposal must be initialed by the person(s) signing the proposal.

**1-8 ACKNOWLEDGMENT OF ADDENDUMS TO RFP**

Receipt of an addendum to this RFP must be acknowledged by a Proposer on the Proposal Response Certification.

**1-9 PROPOSAL COPIES**

**Six (6)** complete copies of the proposal shall be submitted to the University.

**1-10 OFFER ACCEPTANCE PERIOD**

A proposal shall constitute an offer to contract on the terms and conditions contained in this RFP and the proposal. Said proposal shall constitute an irrevocable offer for ninety (90) calendar days from the proposal opening date, even if the University makes one or more counter offers.

**1-11 REJECTION OF PROPOSALS**

The University in its sole discretion, expressly reserves the right to reject any or all proposals or portions thereof, to reissue a Request for Proposal, and to waive informalities, minor irregularities, discrepancies, and any other matter or shortcoming.

**1-12 PROPOSAL PRICE**

The prices submitted in the proposal shall include everything necessary for the prosecution and completion of the Agreement including, but not limited to, furnishing all materials and all management, supervision, labor and service, except as may be provided otherwise in the Agreement Documents. In the event of discrepancy between the unit prices and their extensions, the total price will be adjusted accordingly. In the event of discrepancy between the sum

of the extended total prices, the Total Proposal Price will be adjusted accordingly. The proposal price shall not include any allowance for Idaho State sales/use tax.

The University will evaluate the total price for the basic requirements with any options(s) exercised at the time of award. Evaluation of options will not obligate the University to exercise the option(s).

The University may reject an offer if it is materially unbalanced as to process for the basic requirements and the option quantities. An offer is unbalanced when it is based on prices significantly less than cost for some work and prices that are significantly overstated for other work.

**1-13 TERM OF AGREEMENT**

The initial term of this agreement shall be three (3) years, commencing upon the date of execution by the university. The term of this agreement may, if mutually agreed upon in writing, be extended by two (3) year increments for a total of six (6) additional years, provided written notice of each extension is given to the bidder at least thirty (30) days prior to the expiration date of such term or extension. In the event funding approval is not obtained by the University, this Agreement shall become null and void effective the date of renewal. During extension periods, all terms and conditions of this Agreement shall remain in effect.

**1-14 AWARD OF AGREEMENT**

The University shall make the award to the responsible Proposer whose proposal will be most advantageous to the University with respect to price, conformance to the specifications, quality, and other factors as evaluated by the University. The University is not required or constrained to award the Agreement to the Proposer proposing the lowest price.

The University may award an Agreement on the basis of initial offers received, without discussion; therefore, each initial offer should contain the offerer's best terms from a cost and technical standpoint.

**1-15 PROPOSAL CONFIDENTIALITY**

Each Proposer agrees that the contents of each proposal submitted in response to this RFP is Confidential, proprietary, and constitutes trade secret information, as defined in Idaho Code 9-340D(1), as to all technical and financial data **THAT IS LABELED CONFIDENTIAL BY THE PROPOSER**, and waives any right of access to such information, except as provided for by law. Except as determined by the University's Office of Purchasing Services, in its sole discretion, no information will be given regarding any proposals or evaluation progress until after an award is made, except as provided by law.

**1-16 F.A.R. REQUIREMENT**

All purchase orders and contracts issued by the University of Idaho are subject to F.A.R. 52.209-6. Supplier warrants that neither supplier or its principals is presently debarred, suspended or proposed for debarment by the Federal Government.

**1-17 RECORD OF PURCHASES**

Contractor will provide Purchasing Services a detailed usage report of items/services ordered, quantities, and pricing under this Agreement upon request.

**1-18 APPEAL OF AWARD**

A Proposer aggrieved by the award of an Agreement may file an appeal by writing to the Director of Contracts and Purchasing Services. The appeal must be received by the Director of Contracts and Purchasing Services within five working days after the award is made, must describe the basis for the appeal, and must include all argument and evidence the Proposer wishes the Director of Purchasing Services to consider. Keeping track of the date an award is made is the responsibility of the Proposer(s).

## SECTION 2 - INSTRUCTIONS FOR PREPARING PROPOSALS

2-1 GENERAL

To aid in the evaluation process, it is required that all responses comply with the items and sequence as presented in paragraph 2-2, RFP Response Outline. Paragraph 2-2 outlines the minimum requirements and packaging for the preparation and presentation of a response. Failure to comply may result in rejection of the response. The proposal should be specific and complete in every detail, prepared in a simple and straight-forward manner.

Proposers are expected to examine the entire Request for Proposals, including all specifications, standard provisions, and instructions. Failure to do so will be at the Proposer's risk. Each Proposer shall furnish the information required by the invitation. It is required that proposal entries be typewritten. Periods of time, stated in number of days, in this request or in the Proposer's response, shall be in calendar days. Propose your best price on each item.

2-2 RFP RESPONSE OUTLINE

- A. Response Sheet: The proposal Response Certification (page 4) shall be attached to the front of the proposal and shall contain the Proposer's certification of the submission. An official who has full authority to enter into an Agreement shall sign it.
- B. Background and History: Describe the company, organization, officers or partners, number of employees, and operating policies that would affect this Agreement. State the number of years your organization has been continuously engaged in business.
- C. References: The Proposer shall provide a minimum of three (3) references including names of persons who may be contacted, title of person, addresses, phone numbers, and e-mail, where products or services similar in scope to the requirements of this RFP have been provided.
- D. Experience and Support: Describe Proposer's experience in performing the requested services.
- E. Costs: Include itemized costs for all components and features to be delivered. A rate sheet has been provided as Attachment1 to this RFP. Responders shall not alter formatting.
- F. Questions to Vendors: Please respond with short, clear and concise answers to all questions contained in Attachment 2: Questions to Vendors. Responders shall not alter formatting.
- G. Proposer Exceptions: Describe any exceptions to the terms and conditions contained within this document.



## SECTION 3 - TECHNICAL SPECIFICATIONS &amp; BID FORM

3-1. BACKGROUND INFORMATION

The University of Idaho opened its doors on Oct. 3, 1892, when it welcomed about 40 students and one professor. Today, the university is home to nearly 12,000 students and nearly 3,159 faculty and staff. It continues to be a leading place of learning in Idaho and the West, because although it is ever-responsive to the changing needs of its students and society, it never forgets its roots and traditions.

The main campus is located in Moscow, Idaho. Other locations include Boise, Coeur d'Alene, Idaho Falls, and Post Falls, Idaho. Enrolled students are from all 44 Idaho counties, 50 states (plus the District of Columbia and Puerto Rico) and 73 foreign countries.

More information on the University of Idaho and latest news can be found at <http://www.uidaho.edu>.

3-2 SPECIFICATIONS

Please provide life, STD and LTD options that DUPLICATE the current plan designs. It is assumed that current levels of coverage for all plan participants will be grandfathered with no loss or reduction in coverage levels.

The contents of this RFP consist of the following components:

- Historical claims experience
- Carrier experience
- Census file
- Copies of the current Summary Plan for all benefits eligible employees

Contained in Attachments 3 through Attachment 8.

The RFP process centers on your ability to DUPLICATE the current schedule of life insurance, STD and LTD benefits. We would also like a quote on changing the basic life insurance benefit to a flat \$50,000 in addition to the current schedule. You will be evaluated on your proposed rates/fees, the length of your rate guarantees and any suggested enhancements or processes that you might propose for these plans (i.e. alternate funding arrangements) that do not change the current benefit offerings.

The effective dates of the plans will be January 1, 2013. However, we will be making our award of this business to allow for our staff communications and open enrollment in October.

3-3 Life Insurance

- I. The University of Idaho provides group life insurance coverage to the following classes:

Class 1. Active employees:

- a. Classified as a regular full-time, part-time or temporary Board of Regents-appointed employee,
- b. Assigned to work a minimum of 20 hours per week, and
- c. Working on an appointment lasting a minimum of five consecutive months.

Class 2. Retirees who are considered Tier I retirees.

- II. The University provides Basic Life Insurance as follows:

Class 1: 1 x Salary – employee's annual base salary

Class 2: the lesser of \$10,000 or their coverage as an employee in effect on June 30, 2007.

III. The University provides Supplementary Life Insurance to Class I employees as follows:

1. Employee Supplementary Life Insurance
2. Spouse Supplementary Life Insurance
3. Dependent Supplementary Life Insurance
4. Optional AD&D coverage for employee or employee + family

IV. Current Evidence of Insurability Rules:

- a. For late application for Contributory insurance.
- b. For reinstatements if required.
- c. For Members and Dependents eligible but not insured under the Prior Plan.
- d. For any combined Plan 1 and Plan 2 Life Insurance Benefit in excess of the lesser of Guarantee Issue Amount of \$500,000 or 3 times your Annual Earnings.
- e. For any Dependents Life Insurance Benefit for your Spouse in excess of the Guarantee Issue Amount of \$25,000.
- f. For elective increases for Contributory insurance.

The requirement in a., c., and f. above are waived as follows, if they apply during our Annual Enrollment Period or during the first 30 days following a Family Status Change:

- a. For late application or an increase of one increment of Life Insurance up to the Guarantee Issue Amount;
- b. For an increase in Dependents Life Insurance from \$10,000 to \$25,000 for their spouse and
- c. For late application for up to \$10,000 of Dependents Life Insurance for their spouse or child.

Additional Benefit Information is available on the University of Idaho website:

<http://www.uidaho.edu/benefits/core-benefits/other-core-benefits>

or you may review our Summary Plan Description at:

<http://www.uidaho.edu/benefits/forms>

3-4 Disability Insurance:

The University provides Disability Insurance (STD & LTD) to all benefit eligible employees.

3-4-1 Short Term Disability:

The University provides employees with the option of three levels of coverage as outlined in the summary below. Some additional notes:

1. The elimination period is the later of 30 days or exhaustion of all sick leave accumulated. University of Idaho employees accumulate sick leave at the rate of 3.7 hours every two weeks with no limit to how much they can accumulate.
2. The 50% base plan is non-contributory and the benefits are taxable, we do NOT gross the employees pay based on the premium.

3-4-2 Long Term Disability

The University provides employees with the option of three levels of coverage as outlined in the summary below. Some additional notes:

1. Elimination period of 180 days
2. Terms with Normal Social Security Retirement Age
3. The 50% base plan is non-contributory and the benefits are taxable, we do NOT gross the employees pay based on the premium.
4. Limitation for Mental/Nervous = 24 months if *not* confined to a hospital or other place licensed to provide medical care for the disabling condition.
5. Pre-existing Condition Limitation:
  - a. any accidental bodily injury, sickness, Mental Illness, pregnancy, or episode of Substance Abuse; or
  - b. any manifestations, symptoms, findings, or aggravations related to or resulting from such accidental bodily injury, sickness, Mental Illness, pregnancy, or Substance Abuse; for which You received Medical Care during the 90 day(s) period that ends the day before:
    - a. Your effective date of coverage; or
    - b. The effective date of a Change in Coverage.

Additional STD & LTD information can be found at:

<http://www.uidaho.edu/benefits/time-away-from-work>

2012 Disability Benefits		
	Short-term Disability (STD)	Long-term Disability (LTD)
Disability coverage provides income protection after a serious illness or injury:	There is a waiting period equal to the number of accumulated sick leave or 30 days – whichever is greater.  The benefit then provides up to 22 weeks of income protection.	There is a waiting period of 180-days. STD benefits may still be received during the waiting period.  The benefit then pays as long as you remain disabled or, if earlier, until you reach normal Social Security retirement age.
The University automatically provides a base plan of:	50% of your pay, up to \$500 per week (minimum benefit - \$15 per week)	50% of your pay, up to \$2,000 per month
Elect added protection equal to:	<ul style="list-style-type: none"> <li>• 60% of pay, up to \$700 per week OR (minimum benefit - \$15 per week)</li> <li>• 66.67% of pay, up to \$1,250 per week (minimum benefit - \$15 per week)</li> </ul>	<ul style="list-style-type: none"> <li>• 60% of pay, up to \$3000 per month OR</li> <li>• 66.67% of pay, up to \$5,000 per month</li> </ul>
	Pay for additional benefits through after-tax payroll deductions. If you receive disability benefits, you pay income taxes on a percentage of your benefits. This percentage is determined when you go out on disability.	
Evidence of Insurability requirements	<ul style="list-style-type: none"> <li>• Coverage is guaranteed and no evidence of insurability (EOI) is required when you enroll for additional STD and LTD benefits within 30 days of your hire date.</li> <li>• If you are increasing your STD coverage later EOI is required.</li> <li>• If you are increasing your LTD coverage later, there is a 12-month pre-existing condition limitation.</li> </ul>	

1. Please describe the claim process for filing for STD from an employees point of view? Are they able to begin a claim with a phone call?
2. What is the average time it takes to approve EOI, for Disability? For Life Insurance?

**SECTION 4 - PROCUREMENT PROCESS****4-1 PROPOSER LIST AND QUALIFICATION EVALUATION**

After the established date for receipt of proposals, a listing of Proposers submitting proposals will be prepared, and will be available for public inspection.

Qualifications and proposals submitted by interested Proposers will be reviewed and evaluated based on the evaluation factors set forth in the RFP.

**4-2 PROPOSAL CLASSIFICATION**

For the purpose of conducting discussions with individual offerers, if required, proposals will initially be classified as:

- A. Potentially Acceptable
- B. Unacceptable

Discussions may be conducted with any or all of the Proposers whose proposals are found potentially acceptable. Offerers whose proposals are unacceptable will be notified promptly. The Manager of Purchasing will establish procedures and schedules for conducting oral and/or written discussions.

Proposers are advised that the University may award an Agreement on the basis of initial offers received, without discussions; therefore, each initial offer should contain the offerer's best terms from a cost and technical standpoint.

**4-3 PROPOSER INVESTIGATION**

The University will make such investigations as it considers necessary to obtain full information on the Proposers selected for discussions, and each Proposer shall cooperate fully in such investigations.

**4-4 FINAL OFFERS AND AWARD OF AGREEMENT**

Following any discussions with Proposers regarding their technical proposals, alternative approaches, or optional features, a number of the firms may be requested to submit best and final offers. The committee will rank the final Proposers for the project, giving due consideration to the established evaluation criteria. The committee will propose award to the proposal which is found to be most advantageous to the University, based on the factors set forth in the Request for Proposals.

**SECTION 5 - EVALUATION PROCESS**

The University reserves the right to reject any or all proposals, or portions thereof. The selection of a successful Proposer, if any, will be made based upon which proposal the University determines would best meet its requirements and needs.

**5-1 EVALUATION CRITERIA**

The evaluation criteria are listed below:

- Rates and rate guarantee periods
- Cultural Fit
- Member support (i.e. calls and claims processing)
- Ability to consolidate lines of coverage
- Strategic partnering opportunities

Not necessarily listed in order of importance. The University may at its discretion use life cycle or best value analysis.

**SECTION 6 - GENERAL CONTRACTUAL TERMS AND CONDITIONS****6-1 AGREEMENT TERMS AND CONDITIONS**

The submission of a proposal herein constitutes the agreement of any Proposer that any Agreement to be drawn as the result of an award herein shall be prepared by the University and shall include at a minimum, all terms and conditions set forth in this RFP. The submission of a proposal shall further constitute the agreement of each Proposer that it will not insist on the use of standard contract agreements, documents, or forms, and that it waives any demand for the use of its standard agreements. The Agreement between the parties shall consist of, in order of precedence: the agreement document signed by the Parties subsequent to submission of the proposal, and any attachments thereto and incorporations therein, the terms and conditions in the RFP, and the Proposer's response to the RFP.

**6-2 ASSIGNMENT**

No assignment of this Agreement or of any right accruing under this Agreement shall be made, in part or in whole, by Contractor without the written consent of the University. Notwithstanding any assignment, Contractor shall remain fully liable on this Agreement and shall not be released from performing any of the terms, covenants, and conditions of this Agreement.

**6-3 TERMINATION FOR CONVENIENCE**

The University may terminate this Agreement, in whole or in part, at any time by written notice to the Contractor. The Contractor shall be paid its reasonable costs, including reasonable close-out costs and a reasonable profit on work performed up to the time of termination. The Contractor shall promptly submit its termination claim for payment. If the Contractor has any property in its possession belonging to the University, the Contractor will account for the same and dispose of it in the manner the University directs.

**6-4 TERMINATION FOR DEFAULT**

If the Contractor does not deliver the materials in accordance with the Contract delivery schedule, or if the Contract is for services and the Contractor fails to perform in the manner called for in the Contract, or if the Contractor fails to comply with any other provisions of the Contract, the University may terminate this Contract for default. Termination shall be effected by serving on the Contractor a notice of termination setting forth the manner in which the Contractor is in default. The Contractor will be paid a reasonable price for materials delivered and accepted, or services performed in accordance with the manner of performance set forth in the Contract.

**6-5 APPLICABLE LAW AND FORUM**

This Agreement shall be construed in accordance with, and governed by the laws of the State of Idaho. Any legal proceeding related to this Agreement shall be instituted in the courts of the county of Latah, state of Idaho, and Contractor agrees to submit to the jurisdiction of such courts.

**6-6 LAWS, REGULATIONS AND PERMITS**

The Contractor shall give all notices required by law and comply with all applicable Federal, State, and local laws, ordinances, rules and regulations relating to the conduct of the work. The Contractor shall be liable for all violations of the law in connection with work furnished by the Contractor, including the Contractor's subcontractors.

**6-7 GENERAL QUALITY**

All of the Contractor's work shall be performed with the highest degree of skill and completed in accordance with the Agreement Documents.

**6-8 PROOF OF COMPLIANCE WITH AGREEMENT**

In order that the University may determine whether the Contractor has complied with the requirements of the Agreement Documents, the Contractor shall, at any time when requested, submit to the University properly authenticated documents or other satisfactory proofs as to compliance with such requirements.

**6-9 PAYMENT AND ACCEPTANCE**

Except as otherwise provided herein, payments shall be due and payable within (30) days after acceptance of such goods or services or after receipt of properly completed invoice, whichever is later. No advance payment shall be made for goods or services furnished pursuant to this Agreement.

**6-10 CONTINUATION DURING DISPUTES**

The Contractor agrees that notwithstanding the existence of any dispute between the parties, insofar as possible under the terms of the Agreement to be entered into, each party will continue to perform the obligations required of it during the continuation of any such dispute, unless enjoined or prohibited by any court.

**6-11 SEVERABILITY**

If any term or condition of this Agreement or the application thereof to any person(s) or circumstances is held invalid, such invalidity shall not affect other terms, conditions or applications which can be given effect without the invalid term, condition or application; to this end the terms and conditions of this Agreement are declared severable.

**6-12 INTEGRATION**

This Agreement constitutes the entire Agreement between the parties. No change thereto shall be valid unless in writing communicated in the stipulated manner, and signed by the University and the Contractor.

**6-13 BINDING EFFECT**

This Agreement is for the benefit only of the parties hereto and shall inure to the benefit of and bind the parties hereto and their respective heirs, legal representatives, successors, and assigns.

**6-45 APPROPRIATIONS CLAUSE**

If the term of this Agreement is longer than one year, the University's obligations and liabilities hereunder are subject to the appropriation of funds from the State of Idaho, which appropriation shall be in the State of Idaho's sole discretion, from revenues legally available to the University for the ensuing fiscal year for the purposes of this Agreement. If the State of Idaho does not appropriate the funds for the purpose of this Agreement, the Agreement shall terminate and neither party shall have any further obligations hereunder.

**6-15 IRS SECTION 501(C)(3) AND SECTION 115 CONSIDERATIONS**

If any provision of this Agreement may cause the University to lose its status as an Internal Revenue Code Section 501(c)(3) corporation, this Agreement shall be voidable. In the alternative, at the sole option of the University, the offending provision(s) shall be modifiable such that the provision(s) will no longer cause the University to lose its status as a 501(c)(3) corporation. The terms of the modification shall be subject to agreement in writing by all parties.

**6-16 COMPLIANCE WITH GOVERNOR'S EXECUTIVE ORDER**

In the event any provision of this Agreement shall cause the University to be in violation of any of the Governor of Idaho's Executive Orders, then this Agreement shall be voidable at the sole option of the University.

6-17 DEBARRED, SUSPENDED OR EXCLUDED

All purchase orders and contracts issued by the University of Idaho are subject to F.A.R. 52.209-6. Supplier warrants that neither supplier or its principals is presently debarred, suspended or proposed for debarment by the Federal Government.

6-18 NON-USE OF NAMES AND TRADEMARKS

Contractor shall not use the name, trade name, trademark, or other designation of the University, or any contraction, abbreviation, or simulation any of the foregoing, in any advertisement or for any commercial or promotional purpose (other than in performing under this Agreement) without the University's prior written consent in each case.

6-19 CONTRACTOR REPRESENTATIONS

Contractor represents and warrants the following: (a) that it is financially solvent, able to pay its debts as they mature, and possessed of sufficient working capital to provide the equipment and goods, complete the services, and perform its obligations required hereunder; (b) that it is able to furnish any of the plant, tools, materials, supplies, equipment, and labor required to complete the services required hereunder and perform all of its obligations hereunder and has sufficient experience and competence to do so; (c) that it is authorized to do business in Idaho, properly licensed by all necessary governmental and public and quasi-public authorities having jurisdiction over it and the services, equipment, and goods required hereunder, and has or will obtain all licenses and permits required by law; and (d) that it has visited the site of the project and familiarized itself with the local conditions under which this Agreement is to be performed.

6-20 REGENTS' APPROVAL

This Agreement may be subject to approval by the Regents of the University of Idaho, and if it is and if such approval is not granted this Agreement shall be void and neither party shall have any further obligations or liabilities hereunder.

6-21 SURVIVAL OF TERMS

The terms and provisions hereof, and all documents being executed hereunder, if any, including, without limitation, the representations and warranties, shall survive this Agreement and shall remain in full force and effect thereafter.

6-22 HEADINGS

The headings contained in this Agreement are for reference purposes only and shall not in any way affect the meaning or interpretation hereof.

6-23 ADDITIONAL ACTS

Except as otherwise provided herein, in addition to the acts and deeds recited herein and contemplated to be performed, executed and/or delivered by the parties, the parties hereby agree to perform, execute and/or deliver or cause to be performed, executed and/or delivered any and all such further acts, deeds and assurances as any party hereto may reasonably require to consummate the transaction contemplated hereunder.

6-24 TIME OF ESSENCE

All times provided for in this Agreement, or in any other document executed hereunder, for the performance of any act will be strictly construed, time being of the essence.



**6-25 WAIVER**

No covenant, term or condition or the breach thereof shall be deemed waived, except by written consent of the party against whom the waiver is claimed, and any waiver of the breach of any covenant, term or condition shall not be deemed to be a waiver of any other covenant, term or condition herein. Acceptance by a party of any performance by another party after the time the same shall have become due shall not constitute a waiver by the first party of the breach or default of any such covenant, term or condition unless otherwise expressly agreed to by the first party in writing.

**6-26 FORCE MAJEURE**

Any prevention, delay or stoppage due to strikes, lockouts, labor disputes, acts of God, inability to obtain labor or materials or reasonable substitutes therefore, governmental restrictions, governmental regulations, governmental controls, enemy or hostile governmental action, civil commotion, fire or other casualty, and other causes beyond the reasonable control of the party obligated to perform (except for financial ability), shall excuse the performance, except for the payment of money, by such party for a period equal to any such prevention, delay or stoppage.

**6-27 NO JOINT VENTURE**

Nothing contained in this Agreement shall be construed as creating a joint venture, partnership, or agency relationship between the parties.

**6-28 INFORMATION TRUE AND CORRECT**

All documents, agreements and other information provided to the University by Contractor or which Contractor has caused to be provided to the University are true and correct in all respects and do not omit to state any material fact or condition required to be stated, necessary to make the statement or information not misleading, and there are no other agreements or conditions with respect thereto.

**6-29 EQUAL OPPORTUNITY**

Contractor represents and agrees that it will not discriminate in the performance of this Agreement or in any matter directly or indirectly related to this Agreement on the basis of race, color, religion, national origin, sex, sexual orientation, gender identity/expression, age, disability or status as a Vietnam era veteran.. This non-discrimination requirement includes, but is not limited to, any matter directly or indirectly related to employment. Breach of this covenant may be regarded as a material breach of Agreement.

**6-30 PUBLIC RECORDS**

The University is a public agency. All documents in its possession are public records. Proposals are public records and will be available for inspection and copying by any person upon completion of the RFP process. If any Proposer claims any material to be exempt from disclosure under the Idaho Public Records Law, the Proposer will expressly agree to defend, indemnify and hold harmless the University from any claim or suit arising from the University's refusal to disclose any such material. No such claim of exemption will be valid or effective without such express agreement. The University will take reasonable efforts to protect any information marked "confidential" by the Proposer, to the extent permitted by the Idaho Public Records Law. Confidential information must be submitted in a separate envelope, sealed and marked "Confidential Information" and will be returned to the Proposer upon request after the award of the contract. It is understood, however, that the University will have no liability for disclosure of such information. Any proprietary or otherwise sensitive information contained in or with any Proposal is subject to potential disclosure.

**6-31 UNIVERSITY'S RULES, REGULATIONS, AND INSTRUCTIONS**

Contractor will follow and comply with all rules and regulations of the University and the reasonable instructions of University personnel. The University reserves the right to require the removal of any worker it deems unsatisfactory for any reason.

**ADDITIONAL TERMS AND CONDITIONS SPECIFIC TO INFORMATION SECURITY AND DATA MANAGEMENT:****6-34 Data Compromise Response**

- a. Immediately upon becoming aware of a Data Compromise, or of circumstances that could have resulted in unauthorized access to or disclosure or use of Customer or End User Data, Vendor will notify Customer, fully investigate the incident, and cooperate fully with Customer's investigation of and response to the incident. Except as otherwise required by law, Vendor will not provide notice of the incident directly to the persons whose data were involved, regulatory agencies, or other entities, without prior written permission from Customer.
- b. Notwithstanding any other provision of this agreement, and in addition to any other remedies available to Customer under law or equity, Vendor will reimburse Customer in full for all costs incurred by Customer in investigation and remediation of such Data Compromise, including but not limited to providing notification to third parties whose data were compromised and to regulatory agencies or other entities as required by law or contract; the offering of 12 months' credit monitoring to each person whose data were compromised; and the payment of legal fees, audit costs, fines, and other fees imposed by regulatory agencies or contracting partners as a result of the Data Compromise.

**6-35 Data Integrity**

Vendor will take commercially reasonable measures, including regular data integrity audits, to protect Customer and End User Data against deterioration or degradation of data quality and authenticity.

**6-36 Data Privacy**

- a. Vendor will use Customer Data and End User Data only for the purpose of fulfilling its duties under this Agreement and for Customer's and its End User's sole benefit, and will not share such data with or disclose it to any third party without the prior written consent of Customer or as otherwise required by law. By way of illustration and not of limitation, Vendor will not use such data for Vendor's own benefit and, in particular, will not engage in "data mining" of Customer or End User Data or communications, whether through automated or human means, except as specifically and expressly required by law or authorized in writing by Customer.
- b. All Customer and End User Data will be stored on servers, located solely within the Continental United States.
- c. Vendor will provide access to Customer and End User Data only those Vendor employees and subcontractors who need to access the data to fulfill Vendor's obligations under this Agreement. Vendor will ensure that employees who perform work under this Agreement have read, understood, and received appropriate instruction as to how to comply with, the data protection provisions of this Agreement, and have undergone all background screening and possess all qualifications appropriate to the nature of the employees' duties and the sensitivity of the data they will be handling prior to being granted access to the Data.

**6-37 Data Retention and Disposal**

- a. Vendor will use commercially reasonable efforts to retain data in an End User's account, including attachments, until the End User deletes them or for an alternative time period mutually agreed by the parties.
- b. Using appropriate and reliable storage media, Vendor will regularly back up Customer and End User Data and retain such backup copies for a minimum of 12 months. At the end of that time period and at Customer's election, Vendor will either securely destroy or transmit to Customer repository the backup copies. Upon Customer's request, Vendor will supply Customer a certificate indicating the records destroyed, the date destroyed, and the method of destruction used.

- c. Vendor will retain logs associated with End User activity for a minimum of 12 Months, unless the parties mutually agree to a different period.
- d. Vendor will immediately place a “hold” on the destruction under its usual records retention policies of records that include Customer and End User Data, in response to an oral or written request from Customer indicating that those records may be relevant to litigation that Customer reasonably anticipates. Oral requests by Customer for a hold on record destruction will be reduced to writing and supplied to Vendor for its records as soon as reasonably practicable under the circumstances. Customer will promptly coordinate with Vendor regarding the preservation and disposition of these records. Vendor shall continue to preserve the records until further notice by Customer.

#### 6-38 Data Security and Integrity [under review by IT security personnel]

- a. All facilities used to store and process Customer and End User data will employ commercial best practices, including appropriate administrative, physical, and technical safeguards, to secure such data from unauthorized access, disclosure, alteration, and use. Such measures will be no less protective than those used to secure Vendor’s own data of a similar type, and in no event less than reasonable in view of the type and nature of the data involved. Without limiting the foregoing, Vendor warrants that all Customer Data and End User Data will be encrypted in transmission (including via web interface) and storage at no less than 128 bit level encryption. Vendor agrees and certifies that it, the system or any third parties working on the vendor’s behalf have complied with all applicable requirements to be considered PCI- level 1 compliant and has taken all necessary steps to validate its compliance with the PCI DSS and PA DSS. Vendor is required to demonstrate compliance with this requirement by maintaining the application listing on The PCI Security Standards Council (see [https://www.pcisecuritystandards.org/approved\\_companies\\_providers/validated\\_payment\\_applications.php?agree=true](https://www.pcisecuritystandards.org/approved_companies_providers/validated_payment_applications.php?agree=true)).
- b. Vendor will use industry standard and up to date security tools and technologies such as anti-virus protections and intrusion detection methods in providing Services under this Agreement.
- d. Vendor will at its expense conduct or have conducted at least annually:
- A SAS 70 audit of Vendor’s security policies, procedures and controls resulting in the issuance of a Service Auditor’s Report Type II;
  - A vulnerability scan, performed by a scanner approved by Customer, of Vendor’s systems and facilities that are used in any way to deliver services under this Agreement; and
  - A formal penetration test, performed by a process and qualified personnel approved by Customer, of Vendor’s systems and facilities that are used in any way to deliver services under this Agreement.
- e. Vendor will provide Customer upon request the results of the above audits, scans and tests, and will promptly modify its security measures as needed based on those results in order to meet its obligations under this Agreement. Customer may require, at its expense, Vendor to perform additional audits and tests, the results of which will be provided promptly to Customer.

#### 6-39 Data Transfer upon Termination or Expiration

- a. Upon termination or expiration of this Agreement, Vendor will ensure that all Customer and End User Data are transferred to Customer or a third party designated by Customer securely, within a reasonable period of time, and without significant interruption in service. Vendor will ensure that such migration uses facilities and methods are compatible with the relevant systems of the transferee, and to the extent technologically feasible, that Customer will have reasonable access to Customer and End User Data during the transition.
- b. Vendor will notify Customer of impending cessation of its business or that of a tiered provider and any contingency plans in the event of notice of such a failure. This includes immediate transfer of any previously escrowed assets and data and providing Customer access to Vendor’s facilities to remove and destroy Customer owned assets and data. Vendor shall implement its exit plan and take all necessary actions to ensure a smooth transition of service with minimal disruption to Customer. Vendor will provide a fully documented service description and perform and document a gap analysis by examining any differences between its services and those to be provided by its successor. Vendor will also provide a full inventory and configuration of servers, routers, other hardware, and software involved in service delivery along with

supporting documentation, indicating which if any of these are owned by or dedicated to Customer. Vendor will work closely with its successor to ensure a successful transition to the new equipment, with minimal downtime and effect on Customer, all such work to be coordinated and performed in advance of the formal, final transition date.

#### 6-40 Response to Legal Orders, Demands or Requests for Data

- a. Except as otherwise expressly prohibited by law, Vendor will:
  - Immediately notify Customer of any subpoenas, warrants, or other legal orders, demands or requests received by Vendor seeking Customer and/or End User Data;
  - Consult with Customer regarding its response;
  - Cooperate with Customer's reasonable requests in connection with efforts by Customer to intervene and quash or modify the legal order, demand or request; and
  - Upon Customer's request, provide Customer with a copy of its response.
- b. If Customer receives a subpoena, warrant, or other legal order, demand or request seeking Customer or End User Data maintained by Vendor, Customer will promptly provide a copy to Vendor. Vendor will promptly supply Customer with copies of data required for Customer to respond, and will cooperate with Customer's reasonable requests in connection with its response.

#### 6-41 Service Levels; Interruptions in Service; Suspension and Termination of Service; Changes to Service:

- a. Vendor warrants that the Services will be performed in a professional and workmanlike manner consistent with industry standards reasonably applicable to such Services. Vendor further warrants that the Services will be Operational at least 99.99% of the time in any given month during the term of this Agreement, meaning that the outage or downtime percentage will be not more than .01%. In the event of a Service outage, Vendor will (a) promptly and at Vendor's expense use commercial best efforts to restore the Services as soon as possible, and (b) unless the outage was caused by a Force Majeure event, refund or credit Customer, at Customer's election, the prorated amount of fees corresponding to the time Services were unavailable. Neither party will be liable to the other for any failure or delay in performance under this Agreement to the extent said failures or delays are proximately caused by forces beyond that party's reasonable control, provided that the party resumes performance as soon as it is reasonably able to do so.
- b. From time to time it may be necessary or desirable for either the Customer or Vendor to propose changes in the Services provided. Such changes shall be made pursuant to the Change Control Procedure. Automatic upgrades to any software used by Vendor to provide the Services that simply improve the speed, efficiency, reliability, or availability of existing Services and do not alter or add functionality, are not considered "changes to the Services" and such upgrades will be implemented by Vendor on a schedule no less favorable than provided by Vendor to any other customer receiving comparable levels of Services.
- c. Vendor will provide Customer with seven days' prior notice of scheduled downtime in the provision of Services for maintenance or upgrades. To the extent possible, Vendor will schedule downtime during times of ordinarily low use by Customer. In the event of unscheduled and unforeseen downtime for any reason, except as otherwise prohibited by law Vendor will promptly notify Customer and cooperate with Customers' reasonable requests for information regarding the downtime.
- d. Customer may suspend or terminate (or direct Vendor to suspend or terminate) an End User's access to Services in accordance with Customer's policies. Customer will assume sole responsibility for any claims made by End User regarding Customer's suspension/termination or directive to suspend/terminate such service. Vendor may suspend access to Services by Customer or an End User immediately in response to an act or omission that reasonably appears to jeopardize the security or integrity of Vendor's Services or the network(s) or facilities used to provide the Services. Suspension will be to the minimum extent, and of the minimum duration, required to prevent or end the security issue. Vendor may suspend Customer's access to Services if, after at least thirty (30) days' written notice to Customer and subsequent good faith, commercially reasonable efforts to resolve the matter with Customer to the parties' mutual satisfaction, Customer remains in material breach of this Agreement. The suspension will be lifted immediately once the breach is cured. Vendor may suspend access to Services by an End User in response to (i) a material breach by End User of any terms of use s/he has

agreed to in connection with receiving the Services. Vendor will notify Customer of any suspension of End User access to Services before suspension or, if notice before is not f feasible, as soon as reasonably possible thereafter.

## SECTION 7 – INDEMNITY, RISKS OF LOSS, INSURANCE

7-1 RISK OF LOSS

Until all improvements, equipment, or goods to be provided under this Agreement are installed on property owned or controlled by University and working properly, Contractor and its subcontractors of any tier shall bear all risks of all loss or damage to the improvements, equipment, or goods, excluding loss or damage caused by acts, omissions, or negligence of the University. Once all improvements, equipment, or goods to be provided under this Agreement are installed on property owned or controlled by University and working properly, the risk of all loss or damage shall be borne by University, excluding loss or damage caused by acts, omissions, or negligence of the Contractor. Contractors shall require its subcontractors of any tier to bear the same risk of loss.

7-2 INDEMNIFICATION

Contractor shall indemnify, defend and hold the University and the State of Idaho harmless from and against any and all claims, losses, damages, injuries, liabilities and all costs, including attorneys fees, court costs and expenses and liabilities incurred in or from any such claim, arising from any breach or default in the performance of any obligation on Contractor's part to be performed under the terms of this Agreement, or arising from any act, negligence or the failure to act of Contractor, or any of its agents, subcontractors, employees, invitees or guests. Contractor, upon notice from the University, shall defend the University at Contractor's expense by counsel reasonably satisfactory to the University. Contractor, as a material part of the consideration of the University, hereby waives all claims in respect thereof against the University.

Contractor shall: (a) notify the University in writing as soon as practicable after notice of an injury or a claim is received; (b) cooperate completely with the University and/or the University's insurers in the defense of such injury or claim; and (c) take no steps such as admission of liability which would prejudice the defense or otherwise prevent the University from protecting the University's interests.

## 7-3 Insurance

## 7.3.1 General Requirements

7.3.1.1 Contractor and its subcontractor(s) of any tier are required to carry the types and limits of insurance shown in this insurance clause, section 8.0, and to provide University with a Certificate of Insurance ("certificate"). All certificates shall be coordinated by the Contractor and provided to the University within seven (7) days of the signing of the contract by the Contractor. Certificates shall be executed by a duly authorized representative of each insurer, showing compliance with the insurance requirements set forth below. All certificates shall provide for thirty (30) days' written notice to University prior to cancellation, non-renewal, or other material change of any insurance referred to therein as evidenced by return receipt of United States certified mail. Said certificates shall evidence compliance with all provisions of this section 7.3. Exhibit A of this Agreement contains a Request for Certificate of Insurance which shall be given to the insurance broker or agent of the Contractor and its subcontractor(s) of any tier, upon award of bid to Contractor.

7.3.1.2 Additionally and at its option, Institution may request certified copies of required policies and endorsements. Such copies shall be provided within (10) ten days of the Institution's request.

7.3.1.3 All insurance required hereunder shall be maintained in full force and effect with insurers with Best's rating of AV or better and be licensed and admitted in Idaho. All policies required shall be written as primary policies and not contributing to nor in excess of any coverage University may choose to maintain. Failure to maintain the required insurance may result in termination of this Agreement at University's option.

7.3.1.4 All policies except Workers Compensation and Professional Liability shall name University as Additional Insured. The Additional Insured shall be stated as: "State of Idaho and The Regents of the University of Idaho". Certificate Holder shall read: "University of Idaho." Certificates shall be mailed to: University of Idaho, Risk Management, P.O. Box 443162, Moscow, ID 83844-3162.

7.3.1.5 Failure of University to demand such certificate or other evidence of full compliance with these insurance requirements or failure of Institution to identify a deficiency from evidence that is provided shall not be construed as a waiver of the obligation of Contractor and its subcontractor(s) of any tier to maintain such insurance.

7.3.1.6 No Representation of Coverage Adequacy. By requiring insurance herein, University does not represent that coverage and limits will necessarily be adequate to protect Contractor and its subcontractor(s) of any tier, and such coverage and limits shall not be deemed as a limitation on the liability of the Contractor and its subcontractor(s) of any tier under the indemnities granted to University in this Agreement.

8.1.7 Contractor is responsible for coordinating the reporting of claims and for the following: (a) notifying the Institution in writing as soon as practicable after notice of an injury or a claim is received; (b) cooperating completely with University in the defense of such injury or claim; and (c) taking no steps (such as admission of liability) which will prejudice the defense or otherwise prevent the University from protecting its interests.

### 7.3.2 Required Insurance Coverage.

Contractor and its subcontractor(s) of any tier shall at its own expense obtain and maintain:

7.3.2.1 Commercial General and Umbrella / Excess Liability Insurance. Contractor and its subcontractor(s) of any tier shall maintain Commercial General Liability ("CGL") written on an occurrence basis and with a limit of not less than \$1,000,000 each occurrence and in the aggregate. If such CGL insurance contains a general aggregate limit, it shall apply separately by location and shall not be less than \$1,000,000. CGL insurance shall be written on standard ISO occurrence form (or a substitute form providing equivalent coverage) and shall cover liability arising from premises, operations, independent contractors, products-completed operations, personal injury and advertising injury, and liability assumed under a contract including the tort liability of another assumed in a business contract. Waiver of subrogation language shall be included. If necessary to provide the required limits, the Commercial General Liability policy's limits may be layered with a Commercial Umbrella or Excess Liability policy.

7.3.2.2 Commercial Auto Insurance. Contractor and its subcontractor(s) of any tier shall maintain a Commercial Auto policy with a Combined Single Limit of not less than \$1,000,000; Underinsured and Uninsured Motorists limit of not less than \$1,000,000; Comprehensive; Collision; and a Medical Payments limit of not less than \$10,000. Coverage shall include Non-Owned and Hired Car coverage. Waiver of subrogation language shall be included.

7.3.2.3 Business Personal Property. Contractor and its subcontractor(s) of any tier shall purchase insurance to cover Business Personal Property of Contractor and its subcontractor(s) of any tier. In no event shall University be liable for any damage to or loss of personal property sustained by Contractor, even if such loss is caused by the negligence of Institution, its employees, officers or agents. Waiver of subrogation language shall be included.

7.3.2.4 Workers' Compensation. Contractor and its subcontractor(s) of any tier shall maintain all coverage statutorily required of the Contractor and its subcontractor(s) of any tier, and coverage shall be in accordance with the laws of Idaho. Contractor and its subcontractor(s) of any tier shall maintain Employer's Liability with limits of not less than \$100,000 / \$500,000 / \$100,000.

7.3.2.4 Professional Liability. If professional services are supplied to Institution, Contractor and its subcontractor(s) of any tier, Contractor and its subcontractor(s) of any tier shall maintain Professional Liability (Errors & Omissions) insurance on a claims made basis, covering claims made during the policy period and reported within three years of the date of occurrence. Limits of liability shall be not less than one million dollars (\$1,000,000).

UNIVERSITY OF IDAHO - REQUEST FOR PROPOSAL

**Exhibit A – Request for Certificate of Insurance from Contractor\***

**\*If bid is awarded to Contractor**

**Page 1 of 2**

**Give this form to your insurance agent / broker**

**Agents/ Brokers: RETURN A COPY OF THESE INSTRUCTIONS WITH YOUR CERTIFICATE.**

**Certificates without a copy of these instructions will not be accepted.**

Contractor and its subcontractors of any tier (“Insured”) are required to carry the types and limits of insurance shown in this Request, and to provide University of Idaho (“Certificate Holder”) with a Certificate of Insurance within seven (7) days of the signing of this Contract.

- Certificate Holder shall read:

State of Idaho and the Regents of the University of Idaho  
Attn: Risk Management  
P.O. Box 443162  
Moscow, ID 83844-3162

- Description area of certificate shall read: Attn: Contract for Services
- All certificates shall provide for thirty (30) days’ written notice to Certificate Holder prior to cancellation or material change of any insurance referred to in the certificate.
- All insurers shall have a Best’s rating of AV or better and be licensed and admitted in Idaho.
- All policies required shall be written as primary policies and not contributing to nor in excess of any coverage Certificate Holder may choose to maintain.
- All policies (except Workers Compensation and Professional Liability) shall name the following as Additional Insured: The Regents of the University of Idaho, a public corporation, state educational institution, and a body politic and corporate organized and existing under the Constitution and laws of the state of Idaho.
- Failure of Certificate Holder to demand a certificate or other evidence of full compliance with these insurance requirements or failure of Certificate Holder to identify a deficiency from evidence that is provided shall not be construed as a waiver of Insured’s obligation to maintain such insurance.
- Failure to maintain the required insurance may result in termination of this grant or contract at the Certificate Holder’s option.
- By requiring this insurance, Certificate Holder does not represent that coverage and limits will necessarily be adequate to protect Insured, and such coverage and limits shall not be deemed as a limitation on Insured’s liability under the terms of the grant or contract.
- A copy of this certificate request must be sent with the Certificate.



## UNIVERSITY OF IDAHO - REQUEST FOR PROPOSAL

**Exhibit A – Request for Certificate of Insurance from Contractor\*****\*If bid is awarded to Contractor****Page 2 of 2**

*Required Insurance Coverage.* Insured shall obtain insurance of the types and in the amounts described below.

- Commercial General and Umbrella Liability Insurance. Insured shall maintain commercial general liability (CGL) and, if necessary, commercial umbrella insurance with a limit of not less than \$1,000,000 each occurrence and in the aggregate. If such CGL insurance contains a general aggregate limit, it shall apply separately by location and shall not be less than \$1,000,000. CGL insurance shall be written on standard ISO occurrence form (or a substitute form providing equivalent coverage) and shall cover liability arising from premises, operations, independent contractors, products-completed operations, personal injury and advertising injury, and liability assumed under an insured contract including the tort liability of another assumed in a business contract. Waiver of subrogation language shall be included. If necessary to provide the required limits, the Commercial General Liability policy's limits may be layered with a Commercial Umbrella or Excess Liability policy.
- Commercial Auto Insurance. Insured shall maintain a Commercial Automobile Policy with a Combined Single Limit of not less than \$1,000,000; Underinsured and Uninsured Motorists limit of not less than \$1,000,000; Comprehensive; Collision; and a Medical Payments limit of not less than \$5,000. Coverage shall include Non-Owned and Hired Car coverage. Waiver of subrogation language shall be included.
- Business Personal Property and/or Personal Property. Insured shall purchase insurance to cover Insured's personal property. In no event shall Certificate Holder be liable for any damage to or loss of personal property sustained by Insured, whether or not insured, even if such loss is caused by the negligence of Certificate Holder, its employees, officers or agents.
- Workers' Compensation. Where required by law, Insured shall maintain all statutorily required Workers Compensation coverages. Coverage shall include Employer's Liability, at minimum limits of \$100,000 / \$500,000 / \$100,000.
- Professional Liability. If professional services are supplied to the Institution, Insured shall maintain Professional Liability (Errors & Omissions) insurance on a claims made basis, covering claims made during the policy period and reported within three years of the date of occurrence. Limits of liability shall be not less than one million dollars (\$1,000,000).

*If you have additional questions, please contact:*

Carry Salonen, Risk Specialist, University of Idaho.  
 PH (208) 885-7177. FAX (208) 885-9490  
 csalonen@uidaho.edu

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**BUSINESS AFFAIRS AND HUMAN RESOURCES**  
**AUGUST 16, 2012**

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**LEWIS-CLARK STATE COLLEGE**

**SUBJECT**

Approval to reinstate the Vice President for Student Affairs position

**APPLICABLE STATUTE, RULE, OR POLICY**

Idaho State Board of Education Governing Policies & Procedures, Section II.B.3.a

**BACKGROUND/DISCUSSION**

On July 1, 2004, as part of Lewis Clark State College's (LCSC) efforts to realign its organizational structure with its strategic plan, improve unit effectiveness, and achieve immediate cost savings, the College converted its long-standing "Vice President for Student Affairs (VPSA)" position to "Dean of Student Services." In order to keep the workload of the new dean position manageable, several former VPSA functions (including Learning Services, Residence Life, Student Life, Native American/Minority Student Services, and Student Discipline) were reassigned to the remaining two vice presidents and other deans. This change to the VPSA position dovetailed with the earlier conversions (clarifying the authority and accountability) of other administrative positions to the new positions of Dean of Academic Programs, Dean of Professional-Technical Programs, and Dean of Community Programs, the latter three positions representing the three primary components of LCSC's three-part mission under its strategic plan. The move to the four-dean configuration concentrated top-level direction among the President and two vice presidents (the VP for Academic Affairs/Provost and VP for Finance and Administration). Since that time, LCSC has operated without associate or assistant vice presidents, and, from time-to-time, functions have been carried out by dual-hatting some position holders. Examples of dual-hatted functions have included, among others, Athletic Director, Governmental Relations, Registrar, Admissions, Institutional Research, Institutional Assessment and Planning, and Internal Auditor.

In the period since the VPSA position was down-sized in 2004, headcount at LCSC has grown by over 41%, strategic enrollment management (recruiting, retention, advising) has become ever more critical at both the institution and system levels (as reflected in both State Board and LCSC strategic initiatives), and the scope and level of effort needed to comply with new federal regulatory requirements have significantly expanded. As the workload of the vice presidents and the three other deans has grown, most of the functions which had been reassigned to other units when the VPSA position was eliminated have migrated back to the Dean of Student Services. Driven by these factors, the Dean of Student Services is now called upon on a daily basis to engage in planning and decision-making with the President and Vice Presidents, serving in the capacity of a *de facto* VPSA in order to meet mission requirements.

**BUSINESS AFFAIRS AND HUMAN RESOURCES**  
**AUGUST 16, 2012**

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In light of the above, it makes sense for LCSC to restore this position at a vice-president level of responsibility, as is common practice among most colleges. While the Board has delegated personnel management functions to the institution executives, current policy reserves position authorizations at the vice president level (or equivalent) or positions with salaries at/above 75% of the President's salary [not a factor in this request] to the Board. LCSC requests permission to convert the current Dean of Student Services position to Vice President for Student Affairs, effective September 1, 2012.

**IMPACT**

LCSC's President is confident the proposed position upgrade/re-instatement would improve the overall effectiveness and efficiency of Student Affairs operations at the College. The requested change affects only one position at LCSC—overall FTE at the College will be unaffected by this change. The proposed change increases the current salary line of the position from the current FY13 Dean salary at \$82,080 to \$95,000 as VPSA.

**STAFF COMMENTS AND RECOMMENDATIONS**

For the reasons set forth above, LCSC requests approval to reinstate the Vice President for Student Affairs position into the College's management organizational structure. Staff recommends approval.

**BOARD ACTION**

I move to approve the request by Lewis-Clark State College to restore its previous position of Vice President for Student Affairs by upgrading its current position of Dean of Student Services, and to approve the request by LCSC to enter into a one-year employment agreement with Dr. Andrew Hanson at an annual salary of \$95,000.

Moved by \_\_\_\_\_ Seconded by \_\_\_\_\_ Carried Yes \_\_\_\_\_ No \_\_\_\_\_

**BUSINESS AFFAIRS AND HUMAN RESOURCES**  
**AUGUST 16, 2012**

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**REVISED POSITION**

Position Title	Vice President for Student Affairs
Type of Position	Exempt
FTE	1.0
Term of Appointment	12 months
Effective Date	September 1, 2012
Salary Range	\$95,000
Funding Source	Appropriated Funds
Area/Department of Assignment	Student Affairs
Duties and Responsibilities	Provide senior direction to non-curricular student support functions including admissions, registrar, career advising, international programs, recruitment and retention, student success programs, financial aid, minority services, student counseling, residence life operations, student activities, and student health services. Assist President in planning and implementing programs to provide access and high-quality student support to all students at Lewis-Clark State College. Collaborate with functional counterparts at Idaho's colleges and universities and with K-12 leaders to expand educational opportunities for Idaho citizens as they enter and advance in the workforce, improve their quality of life, and gain knowledge and tools to become contributing citizens.
Justification of Position	Current scope and level of responsibility to manage student support operations at LCSC merit vice-president level position.

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**BUSINESS AFFAIRS AND HUMAN RESOURCES**  
**AUGUST 16, 2012**

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**EASTERN IDAHO TECHNICAL COLLEGE**

**SUBJECT**

Approval to award a short term merit pay increase to the Executive Director of the Eastern Idaho Technical College (EITC) Foundation

**APPLICABLE STATUTE, RULE, OR POLICY**

Idaho State Board of Education Governing Policies & Procedures, Section V.E.2.c.iii.3)

**BACKGROUND/DISCUSSION**

This topic is presented to the State Board of Education as required by Board policy and Article V.2.7 of the operating agreement between the Eastern Idaho Technical College and the Eastern Idaho Technical College Foundation.

Board policy provides that supplemental compensation from a foundation made to an institutional employee "must have prior Board approval, and shall be paid by the foundation to the institution, which in turn will make payments to the employee in accordance with normal practice. Employees shall not receive any payments or other benefits directly from the foundations."

**IMPACT**

The approval of this request will allow for the EITC Foundation to provide \$5,000 to the College for a short term merit pay increase to the Foundation's Executive Director. This award is based on the Director's meritorious performance during FY12.

**STAFF COMMENTS AND RECOMMENDATIONS**

Staff recommends approval.

**BOARD ACTION**

I move to approve the request by Eastern Idaho Technical College and the Eastern Idaho Technical College Foundation to award a one-time short term merit pay increase in the amount of \$5,000 to the Executive Director of the Foundation, and to direct that payment be processed and paid in accordance with Board policy and the Operating Agreement between the College and the College Foundation.

Moved by \_\_\_\_\_ Seconded by \_\_\_\_\_ Carried Yes \_\_\_\_\_ No \_\_\_\_\_

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