

Group Term Life Proposal

Prepared for
Big Bay De Noc Schools

Presented by SET Employee Benefits
June 28, 2013

“A” rated, providing flexible, affordable
benefits solutions for over a century.

www.reliancestandard.com

Contents

About This Proposal3
Plan Description & Cost Summary4
Plan Details6
Limitations 11

Situs State: Michigan
Proposal Date: June 28, 2013
Proposal Effective Date: August 1, 2013
Proposal Expiration Date: September 26, 2013

Sales Representative **Broker**
Jeffrey Kucab SET Employee Benefits

Reliance Standard Life Insurance Company
39555 Orchard Hill Place
Suite 235
Novi, MI 48375

Toll Free: (800) 526-4402
Direct: (248) 347-9870
Fax: (248) 347-9877
Email: Jeffrey.Kucab@RSLI.COM

About this Proposal

This proposal outlines some of the features and benefits that we offer in our policy, but it is not a policy. The actual group insurance policy will contain additional provisions not fully described in this document. If there are any discrepancies between the proposal and the group insurance policy, the policy will control. The provisions are explained in basic terms and may be subject to some state restrictions.

We based the premium rate and plan design quotations on the underwriting data you gave us. Final premium rates, rate guarantee and plan provisions may change if:

- The terms of the proposal change;
- There is a change in the factors bearing on the risk to be assumed;
- Any information provided to us in connection with the underwriting of this proposal was incorrect; or
- There is a change in the law or regulation affecting the insurance coverage.

For further details of any of the coverages, including exclusions, any reductions or limitations, and the terms under which the policy may be continued in force or discontinued, contact your sales office.

This proposal is valid only if presented by a licensed insurance agent or broker who is appointed with RSL. It is valid until the date shown, unless we replace or withdraw it.

Plan Description & Cost Summary

Prepared For Big Bay De Noc Schools

Date: June 28, 2013

Proposal Expiration Date: September 26, 2013

Basic Life & AD&D Plan Description

Eligibility

Class 1: Each Active Full-Time Teacher or Support Staff without medical working 20 hours or more per week.*

Class 2: Each Active Full-Time Administration, Teacher or Support Staff with medical working 20 hours or more per week.*

*Except any person working on a temporary or seasonal basis.

Benefit Descriptions

	Class 1	Class 2
Benefit Amount:	\$10,000	\$5,000
Age Reduction:	50% of the pre-age 70 amount at age 70. Terminates at Retirement.	50% of the pre-age 70 amount at age 70. Terminates at Retirement.
Guarantee Issue:	\$10,000	\$5,000
*Living Benefit Rider:	75% to \$500,000	75% to \$500,000
Waiver of Premium:	Included, disability starts before age 60 and lasts 6 months.	Included, disability starts before age 60 and lasts 6 months.
Critical Illness Benefit:	10% to \$100,000	10% to \$100,000
Family Medical Leave Ext.:	Yes	Yes
Bereavement Counseling:	Yes	Yes
Travel Assistance:	Yes	Yes
AD&D Coverage:	24 Hour, excludes retirees.	24 Hour, excludes retirees.
Seat Belt Benefit:	10%	No
Air Bag Benefit:	5%	No
Seat Belt/Air Bag Max:	\$25,000	No
Child Education Benefit:	5% to \$5,000, 4 years	No
Spouse Education Benefit:	to \$3,000	No

If this Reliance Standard plan replaces an in-force plan, guarantee issue amounts will be capped at a maximum of 50% above the existing carrier's guarantee issue limits.

*This may be expressed as Accelerated Benefit or Imminent Death Benefit.

Plan Description & Cost Summary

Prepared For Big Bay De Noc Schools

Date: June 28, 2013

Proposal Expiration Date: September 26, 2013

Basic Life & AD&D Costs

Employer Contribution: 100% Eligible Employees: 29
Employee Participation: 100% Est. Participating Employees: 29

	Volume	Premium Rate per \$1000	Monthly Premium	Rate Guarantee
Basic Life:	\$190,000	\$0.12*	\$22.80	24 Months
AD&D:	\$190,000	\$0.02	\$3.80	24 Months
Total Premium:				

Notes: All Benefits are rounded to the next higher \$1,000.

*This rate is based on a package sale with long term disability

Plan Details

Prepared For Big Bay De Noc Schools

Date: June 28, 2013

Proposal Expiration Date: September 26, 2013

Guarantee Issue

Any amount of insurance in excess of the Guarantee Issue amount listed in your Proposal Summary requires Evidence of Insurability that RSL must accept and approve. Your local sales office can provide Evidence of Insurability forms for you or you can download directly from our homepage - www.reliancestandard.com.

If this plan is replacing an existing plan, the guarantee issue amount may not exceed 50% more than the existing carrier's Guarantee Issue limit without prior approval from RSL.

Living Benefit

The Living Benefit helps offset the high cost of medical care for a terminally ill employee by providing an advance payment of a portion of the death benefit in the case of a terminal illness.

"Terminal Illness" means an illness or physical condition that is Certified by a Physician to reasonably be expected to result in death in less than 12 months.

The Living Benefit is **an amount equal to** a percentage of the Death Benefit on the date of certification of Terminal Illness, subject to a **maximum amount**. Please see your proposal summary page for details.

The Insured may receive a single lump sum or installment payments mutually agreed upon by RSL and the Insured. The Living Benefit is payable one time only for any Insured covered under this Rider. The Death Benefit will be reduced by an amount equal to the Living Benefit.

The Insured must be covered under this rider for at least 60 days prior to being certified as Terminally Ill. Dependents are not eligible for this rider.

Any amount of insurance that continues under a Waiver of Premium provision, or is available under the Conversion Privilege, will be reduced to reflect the payment of the Living Benefit.

Conversion

The conversion privilege gives an Insured the right, under certain conditions, to continue life insurance protection under a non-term permanent insurance policy. We require no medical examination or other evidence of insurability – regardless of age or state of health – as long as application is made and the first premium is paid within 31 days of termination of insurance coverage.

Waiver of Premium

If an Insured becomes Totally Disabled while insured and while the policy is in force before reaching age * and is not able to work for at least * consecutive months, RSL will continue his/her life insurance benefit without premium payment. No further premium payments are necessary as long as he/she meets the Total Disability requirements of the Policy. You must notify us and file a claim within one year of the Insured's date of disability.

* please refer to the Waiver of Premium field of Benefit Descriptions on the proposal summary page for the age and months included in this proposal for each class.

Critical Illness Benefit

If the insured qualifies for benefits in accordance with the Waiver of Premium in the Event of Total Disability provision because he/she has been diagnosed by a Physician as Totally Disabled due to any of the following conditions or procedures (as defined in the policy);

- 1) Life Threatening Cancer,
- 2) Heart Attack,
- 3) Kidney (Renal) Failure,
- 4) Receipt of a Major Organ Transplant, or
- 5) Stroke

Plan Details

Prepared For Big Bay De Noc Schools

Date: June 28, 2013

Proposal Expiration Date: September 26, 2013

RSL will pay the Insured an additional, one-time, lump sum benefit in an amount shown on the proposal summary.

The lump sum benefit applies only to the first condition or procedure to occur (among those listed above) which qualifies the Insured for Waiver of Premium benefits. No further lump sum benefits will be payable under this provision.

Family and Medical Leave and Uniform Services Employment and Reemployment (USERRA) Extension

All employers should be up to date on 2 important federal laws pertaining to family/medical leave and military leave, The Family and Medical Leave Act (FMLA, 1993) and The Uniform Services Employment and Reemployment Rights Act (USERRA, 1994). While neither of these laws requires continuation of group life insurance, we support the intent of the laws with 2 specific continuation provisions.

Coverage can continue provided the employee is on a leave that the employer approves in accordance with the terms of FLMA or that is due to the employee entering the United States military service.

For leaves due to military service, the group policy does not cover any loss occurring while on active duty if the loss is caused by or arises out of such military service, including but not limited to war or act of war (declared or undeclared).

We provide the FMLA/USERRA Extension at no additional charge under the group life insurance contract, and all of the eligibility requirements apply.

Bereavement Counseling Services

We recognize everyone may need help from time to time, and may have no place to turn. Rather than let them face a tough situation alone, we provide a place for employees to turn when they need counseling. In cooperation with Health Management Systems of America (HMSA), we offer a toll-free counseling service to all household members who experience the loss of a loved one. Professional counselors who are experienced with the human emotions associated with the death of a loved one are available to help those who want to reach out.

The counseling service is available at no cost, 24 hours a day, seven days a week.

During the installation of your Group Insurance plan, we will provide you with brochures outlining details of the Group Term Life Bereavement Counseling Services

Plan Details

Prepared For Big Bay De Noc Schools

Date: June 28, 2013

Proposal Expiration Date: September 26, 2013

Travel Assistance

Travel assistance services provide travel and medical assistance services for employees of our Policyholders while traveling on a trip in a foreign country or 100 miles or more from home.

Whether the travel is for business or pleasure your covered employees as well as their spouse and unmarried children under the age of 20 (under age 26 for full time students) are covered.

All travel assistance services are available 24 hours a day through a multilingual staff who are prepared to act quickly and efficiently to serve your employees.

Travel assistance services are provided through On Call International, LLC (On Call) and are not part of the insurance policy being proposed by Reliance Standard Life. On Call is not affiliated with us. We are not responsible for the content of the program or services provided or not provided by On Call. RSL has the right to discontinue offering these services at any time.

For full details about the travel assistance program including all services, limitations and exclusions, please contact your Regional Group Sales Representative.

Accidental Death and Dismemberment

In the event of death, loss of limbs, loss of eyesight, loss of speech or hearing due to an accidental injury, we will pay the following benefits, based on the benefit amount shown in the proposal summary:

For Accidental Loss of:	Amount Payable:
Life	Full benefit amount
Both hands	Full benefit amount
Both feet	Full benefit amount
Sight of both eyes	Full benefit amount
One hand and one foot	Full benefit amount
One hand and sight of one eye	Full benefit amount
One foot and sight of one eye	Full benefit amount
Speech and hearing	Full benefit amount
One hand	One half the benefit amount
One foot	One half the benefit amount
Sight of one eye	One half the benefit amount
Speech	One half the benefit amount
Hearing	One half the benefit amount

We pay this benefit in addition to any other benefits provided by the Plan, subject to the terms of the Group Insurance Policy.

Limitation: These benefits are payable provided the death or dismemberment results from bodily injury caused solely by an accident which occurs while the person is insured and results in loss within 365* days of the accident.

* May vary by state. In Pennsylvania, no time limit if death results from an accident.

Only one benefit, the larger one, will be paid for more than one loss resulting from any one accident.

See Exclusions section.

Seat Belt Benefit

The Seat Belt Benefit provides an additional benefit to an Insured if due to an Injury sustained while riding in a private passenger Four Wheel Vehicle, he/she suffers loss of life for which an Accidental Death Benefit is payable.

Plan Details

Prepared For Big Bay De Noc Schools

Date: June 28, 2013

Proposal Expiration Date: September 26, 2013

Once we receive the police accident report which confirms that the Insured was properly strapped in a Seat Belt at the time of the accident, we will pay a benefit equal to a specified amount of the Insured's Accidental Death Benefit Amount shown on the proposal summary.

If the police report does not clearly establish that the Insured was or was not wearing a seat belt at the time of the accident causing his/her death, we will pay \$1,000 in lieu of this benefit.

Exclusions

We will not pay a benefit for any loss sustained by the Insured:

- 1) while driving or riding in any four-wheel vehicle used in a race, in a speed or endurance test, or for acrobatic or stunt driving;
- 2) if the Insured was not wearing a seat belt for any reason;
- 3) if the Insured was sharing a seat belt.

Air Bag Benefit

In addition to the Seat Belt Benefit, we will pay an Air Bag Benefit if the Insured was driving or riding in a private passenger Four-Wheel Vehicle equipped with a factory-installed Air Bag. The police accident report must clearly establish the Insured was positioned in a seat designed to be protected by an Air Bag and was properly strapped in the seat belt when the air bag inflated.

The total maximum payable under this benefit is limited to the amount shown on the proposal summary.

In addition to the Exclusions applicable to Seat Belt, we will not pay an Air Bag benefit for any loss sustained due to a defect in the Air Bag's diagnostic system.

Education Benefit

If an Accidental Death benefit is payable, we will pay a percentage of the Insured's Accidental Death and Dismemberment Benefit limited to the maximum benefit shown in the proposal summary per Academic Year for each Eligible Dependent Child who:

- 1) is enrolled as a full-time student in any post-high school Educational Institution on the date of the Insured's death; or
- 2) is in the 12th grade on the date of the Insured's death and subsequently enrolls as a full-time student in a post-high school Educational Institution within one year of the date of the Insured's death. Benefits will be paid for up to the time period listed on the proposal summary.

If the Eligible Dependent Child does not remain enrolled for an entire Academic Year, the benefit payable will be the lesser of:

- 1) a percentage of the Insured's Accidental Death and Dismemberment Benefits to the maximum shown on the proposal summary; or
- 2) actual tuition incurred.

We will pay the actual tuition expense incurred by the Eligible Dependent Spouse, up to the maximum shown on the proposal summary. Tuition must be incurred within 30 months after the date of the Insured's death.

Plan Details

Prepared For Big Bay De Noc Schools
Date: June 28, 2013

Proposal Expiration Date: September 26, 2013

We will pay this additional benefit if the Insured suffers loss of life for which an Accidental Death Benefit is payable under the Policy.

"Educational Institution" includes, but is not limited to, any accredited university, college, trade school, vocational school or professional school.

Limitations

Prepared For Big Bay De Noc Schools

Date: June 28, 2013

Proposal Expiration Date: September 26, 2013

Benefit Schedule

The death benefits paid under an RSL Group Life Insurance program may be expressed in one of three ways:

- 1) As a multiple of earnings
- 2) As a percentage of earnings
- 3) As a flat amount. If the amount is over \$150,000, then
 - a) The basic coverage is the flat amount or 5 times earnings, whichever is less
 - b) Supplemental coverage is limited to that amount, or 2 times earnings, whichever is less.
 - c) If coverage is basic plus supplemental, then the limit is 7 times earnings.

Basic Annual Earnings (BAE) usually excludes bonus, overtime and commissions earned by an employee. If you want bonus or commissions to be included in the definition, the amount is usually averaged over a time period which you designate and is outlined in the policy.

Exclusions

Applicable to Accidental Death and Dismemberment, Permanent Total Disability and Total Loss of Use.

A benefit will not be payable for a loss:

- 1) caused by suicide or intentionally self-inflicted injuries; or
- 2) caused by or resulting from war or any act of war, declared or undeclared; or
- 3) to which sickness, disease or myocardial infarction, including medical or surgical treatment thereof, is a contributing factor; or
- 4) sustained during the Insured's commission or attempted commission of an assault or felony; or
- 5) to which the Insured's acute or chronic alcoholic intoxication is a contributing factor; or
- 6) to which the Insured's voluntary consumption of an illegal or controlled substance or a non-prescribed narcotic or drug is a contributing factor; or
- 7) caused by Injury arising out of or in the course of employment for wage or profit.

This is not a comprehensive list of exclusions. Any one or all may apply to a specific benefit. Some of these exclusions/limitations may not apply, depending on which options you have chosen, as shown on the proposal summary page. Some of these exclusions/limitations may vary by state. Please see your local sales representative for details.