



## GROUP BENEFITS PROPOSAL

Prepared for  
Wink Loving ISD

Proposal valid for two months following September 01, 2018

DEARBORN NATIONAL  
SALES REPRESENTATIVE:

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Visit us at: [www.dearbornnational.com](http://www.dearbornnational.com)

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## Solutions for Education

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Having served educational institutions for more than 40 years, Dearborn National understands the unique challenges they face when selecting group employee benefits. By listening to our education customers, we better understand and anticipate their needs. As a result, we make it easier for them to do business with us, and we are able to provide customized solutions.

Currently, we administer employee benefit programs for nearly 1,000 school districts, school boards and charter schools throughout the country. We also provide tailored insurance solutions for many well-known universities as well as smaller liberal arts and junior colleges.

The following features have been designed specifically for education professionals. They are included in our standard products and services at no additional cost.

### **Definition of "Disability" During Breaks in the School Year**

The education market is unique in that there are often extended holidays and seasonal (summer) breaks. Traditional disability benefits provided by other carriers may not provide coverage if the disability occurs during these seasonal breaks, since there may not have been a loss of income or the employee was not actively at work.

Dearborn National provides peace of mind by including specific contract language designed for educators and staff that treats all disabilities that occur the same (rather school is out of session or in session). This language is standard on all STD and LTD proposals for education-related groups.

### **College Assistance Plan**

Planning for college can be overwhelming, not only for school district employees, but also for the students and parents served by the school district. That's why Dearborn National provides access to the College Assistance Plan from CAP Advisory Services, Inc. This web-based service can be accessed through [www.Dearbornnational.com](http://www.Dearbornnational.com) and provide valuable planning and research tools (articles, guides, checklists, tips and videos) to help students and their parents prepare and pay for college. The program also helps parents and students understand college costs, financial aid options, and provides college selection guidance.

This program is offered as a standard feature for all Schools Districts that are Dearborn National Clients and provide education to students in the 9th-12th grade.

### **Office Depot® Discount Program**

Dearborn National recognizes the challenges school districts and teachers face regarding budgets for classroom and office supplies. Dearborn National has teamed up with Office Depot to provide all school employees the ability to receive an additional 10% off all office supply items sold by Office Depot.

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## Short Term Disability

Dearborn National's Group Short Term Disability plans help replace lost income should an insured employee become disabled due to an accident or sickness, including pregnancy or complications from pregnancy.

### Short Term Disability Rate and Cost Summary

**Proposed Effective Date\*:** September 01, 2018

# of Lives	Estimated Volume	Rates Per \$10 Weekly Benefit Monthly	Estimated Monthly Premium
65	\$34,282.74	\$0.276	\$946.20

**Rate Guarantee Period:** 24 Months

***\*Quote valid for two months following the proposed effective date***

**Important Notes:**

The above rates and premium estimates are based on the employee data submitted by you. Final rates and premiums will be based on the plan and employee data provided by you at inception. This proposal is subject to exclusions and limitations in the policy issued by us. In addition, if coverage was inforce prior to the effective date of coverage, the rates quoted are subject to revisions based on acceptance and review of the inforce carrier's policy.

Changes in risk that may impact the rates quoted include, but are not limited to:

- The composition of the group, employees or dependents, changes by more than 10%
- The employer contribution changes
- Any of the plan designs are changed
- A change in applicable law requires a change in the insurance provided by the policy or the classes of persons eligible for insurance under the policy.

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## Short Term Disability Plan Design Summary

<b>Eligibility</b>	<b>All Active Full-Time Employees</b>
<b>Number of Employees</b>	65
<b>STD Weekly Benefit</b>	60% of weekly earnings
<b>Definition of Earnings</b>	Earnings w/Comm
Average Period	12 Months
<b>Maximum Weekly Benefit</b>	\$1,000
<b>Minimum Weekly Benefit</b>	\$25
<b>Elimination Period</b>	
<b>Injury</b>	0 Days
<b>Sickness</b>	7 Days
<b>Benefits Begin</b>	
<b>Injury</b>	1 <sup>st</sup> Day
<b>Sickness</b>	8 <sup>th</sup> Day
<b>Maximum Period Payable</b>	13 weeks
Benefit Paid	Until LTD Benefits Begin
<b>Survivor Benefit</b>	3 weeks
<b>Worksite Modification Benefit</b>	Included
<b>Occupational Injury/Sickness</b>	Not Covered
<b>Definition of Disability</b>	Total or Partial Disability
<b>Partial Disability Earnings Test</b>	80%
<b>Work Incentive Benefit</b>	Included
<b>Policyholder Contribution</b>	100%
<b>Participation Requirement</b>	100%
<b>Tax Services</b>	W-2 Printing
<b>Employer FICA Match Reporting</b>	Excluded

### Enhanced Product Services Offered with Short Term Disability

- W-2 Reporting for Claimants
- Telephonic Claim Intake

## Underwriting Considerations for Short Term Disability

### Underwriting Conditions

- Employees must be legally working in the United States in order to be eligible for coverage.
- Unless otherwise requested, Short Term Disability benefit payments will not begin until the employee's compensation payments from the employer, including but not limited to vacation pay, salary continuation or sick leave benefit payments, have ceased.
- This proposal illustrates the cost of the insurance program proposed and is based upon the information submitted. Any deviations in the program or information may require rate revisions. The actual cost will be determined after an application has been accepted and will depend upon data obtained when the program becomes effective.
- Product features and provisions may be slightly different due to state requirements. When sold, the actual policy for the state in which the policy is issued will reflect the state's requirements.
- This proposal provides only basic information on the features of our policy. In the event of conflict between this proposal and our policy, the terms of our policy will govern. The proposal is not intended to duplicate the terms and conditions of any existing contract. In the event of a conflict between this proposal and the incumbent contract, the terms of the proposal will govern.

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# Long Term Disability

Dearborn National's Group Long Term Disability plans provide long term income replacement security. Programs feature return to work claim management programs focused on personalized claim service.

## Long Term Disability Rate and Cost Summary

**Proposed Effective Date\*:** September 01, 2018

# of Lives	Estimated Volume	Rates Per \$100 Monthly Covered Payroll Monthly	Estimated Monthly Premium
65	\$247,330.61	\$0.229	\$566.39

**Rate Guarantee Period:** 24 Months

*\*Quote valid for two months following the proposed effective date*

### Important Notes:

The above rates and premium estimates are based on the employee data submitted by you. Final rates and premiums will be based on the plan and employee data provided by you at inception. This proposal is subject to exclusions and limitations in the policy issued by us. In addition, if coverage was inforce prior to the effective date of coverage, the rates quoted are subject to revisions based on acceptance and review of the inforce carrier's policy.

Changes in risk that may impact the rates quoted include, but are not limited to:

- The composition of the group, employees or dependents, changes by more than 10%
- The employer contribution changes
- Any of the plan designs are changed
- A change in applicable law requires a change in the insurance provided by the policy or the classes of persons eligible for insurance under the policy.

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## Long Term Disability Plan Design Summary

<b>Eligibility</b>	<b>All Active Full-Time Employees</b>
<b>Number of Employees</b>	65
<b>LTD Benefit</b>	60% of monthly earnings
<b>Definition of Earnings</b>	Earnings w/Comm
Average Period	12 Months
<b>Maximum Monthly Benefit</b>	\$4,000
<b>Minimum Monthly Benefit</b>	\$100 or 10%
<b>Elimination Period</b>	90 Days
<b>Accumulation of Elimination Period</b>	Up to 1/2 the Elimination Period
<b>Maximum Period Payable</b>	SSNRA
<b>Benefit Integration</b>	Primary and Family
<b>Own Occupation Period</b>	24 Months with loss of duties and earnings
<b>Partial Disability Income Earnings Test</b>	Included
During Own Occ Period	80%
After Own Occ Period	60%
<b>Pre-Disability Salary Indexing</b>	Lesser of 7% or average annual change in CPI-W
<b>Work Incentive Benefit</b>	12 Months
Offset Method	Proportionate Loss of Income
<b>Rehabilitative Incentive Income</b>	12 Months
Offset Method	Proportionate Loss of Income
Includes Day Care Benefit	
Expenses Per Child	\$350
Months	12
<b>Mental Disorder Limitation</b>	24 Months
<b>Substance Abuse Limitation</b>	24 Months
<b>Special Conditions Limitation</b>	No Limitation
<b>Limitation Basis</b>	Per Lifetime
<b>Pre-Existing Condition Exclusion</b>	3/12
<b>Survivor Benefit</b>	3 Months
<b>Worksite Modification Benefit</b>	Greater of 2 times benefit amount or \$1,500
<b>Policyholder Contribution</b>	100%
<b>Participation Requirement</b>	100%
<b>Employer FICA Match Reporting</b>	Not Included

### Enhanced Product Services Offered with Long Term Disability

- Disability Resource Services
- W-2 Reporting for Claimants

## Underwriting Considerations for Long Term Disability

### Underwriting Conditions

- Employees must be legally working in the United States in order to be eligible for coverage.
- This proposal illustrates the cost of the insurance program proposed and is based upon the information submitted. Any deviations in the program or information may require rate revisions. The actual cost will be determined after an application has been accepted and will depend upon data obtained when the program becomes effective.
- Product features and provisions may be slightly different due to state requirements. When sold, the actual policy for the state in which the policy is issued will reflect the state's requirements.
- This proposal provides only basic information on the features of our policy. In the event of conflict between this proposal and our policy, the terms of our policy will govern. The proposal is not intended to duplicate the terms and conditions of any existing contract.



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In the event of a conflict between this proposal and the incumbent contract, the terms of the proposal will govern.

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# Benefit Highlights

## Short Term Disability Insurance

### **Eligibility**

Eligibility is as indicated in the Plan Design Summary. To be eligible, employees must be legally working in the United States and regularly working the minimum number of hours as agreed. Employees may have to complete a Waiting Period. Seasonal, part-time and temporary employees are not eligible.

### **Elimination Period**

Elimination Period is the period of time from the onset of disability until benefits begin. The elimination period is indicated in the Plan Design Summary. Unless otherwise indicated, benefits begin upon exhaustion of all other sick leave, vacation, PTO or other salary continuation plans.

Total Disability is not required during the elimination period and can be satisfied with days of Partial or Total Disability. Additionally, there is no earnings loss requirement during the elimination period.

### **Trial Work Day Period**

To encourage employees to return to work, employees may attempt to return to work full-time during their elimination period, without being required to restart the elimination period. Employees can temporarily return to work for a period of up to ½ the elimination period, maximum 14 days, and not have to begin their elimination period again if they stop working due to the same condition.

### **Maximum Period Payable**

STD benefits are payable for the complete number of weeks indicated on the Plan Design Summary, or until LTD benefits are payable, whichever occurs first. The Maximum Period shown does not include the elimination period.

### **Survivor Benefit**

If a disabled employee dies after receiving disability benefits for more than three consecutive weeks, we will pay the beneficiary of the disabled employee a lump sum benefit equal to the amount shown in the Plan Design Summary.

### **Worksite Modification Benefit**

This benefit assists in covering the cost of modifying the disabled employee's worksite to allow that employee to return to work. Once all parties agree on the modification to be performed, we will reimburse the employer the actual cost of the modification, up to the greater of two times the employee's weekly benefit, or \$1,500, unless otherwise indicated.

### **Definition of Disability**

Disabled means that the employee is Totally Disabled or Partially Disabled due to an injury or sickness. The employee must be under the regular care of a doctor who is appropriate for the disabling condition. Loss of professional license or certification does not in and of itself mean the employee is Disabled.

### **Total Disability**

To be considered Totally Disabled, the insured must be unable to perform the material and substantial duties of their regular occupation and have a loss of income.

### **Partial Disability**

To be considered Partially Disabled, the insured must have suffered an injury or sickness, is able to perform some but not all of the material and substantial duties of their regular occupation, and as a result is earning between 20% and the percentage of their pre-disability income indicated in the Plan Design Summary.

### **Work Incentive Benefit**

If the employee meets the definition of Partial Disability, they are eligible to receive a Work Incentive Benefit.



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To encourage disabled employees to return to work in some capacity, we standardly offer a Work Incentive Benefit on all STD contracts.

The Work Incentive Benefit pays the full monthly benefit as long as the combination of the benefit plus earnings does not exceed 100% of their pre-disability income.

If benefits are due for a period of less than one week, payments will be made at a daily rate of 1/7<sup>th</sup> of the weekly benefit.

#### **Extension of Coverage for FMLA Leave**

If an insured employee is eligible for and received approval for leave under the Family and Medical Leave Act of 1993 (FMLA) or any applicable state family and medical leave law, insurance will continue (provided premium continues to be paid) for a period up to the later of:

- The leave period permitted by FMLA and any amendments; or
- The leave period permitted by applicable state law.

#### **Exclusions**

- Loss of professional license, occupational license or certification;
- Commission of, participation in, or an attempt to commit an assault or felony;
- Intentionally self-inflicted injuries;
- Attempted suicide, regardless of mental capacity;
- Cosmetic surgery, except when required due to injury or sickness
- Occupational injury or sickness
- Participation in a war, declared or undeclared, or any act of war

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## **Enhanced Product Services Included with Short Term Disability Insurance**

### **Telephonic Claim Reporting**

To streamline STD claim intake, we offer a telephonic claim intake process. To initiate the claim, the employee calls us toll-free and answers a few simple questions. After the claim number is assigned and medical record release authorization is obtained, we contact the employer and physician as needed.

### **Online Claim Status**

Through our Benefits Manager web portal, employers have online access to STD claim information. Two reports are available - Pending Disability Claim Report includes new claims awaiting evaluation, claims awaiting payment, and claims in the appeal process. Experience Disability Claim Report includes claims on which payments have been made and are still open, closed, or in the appeal process.

### **W-2 Reporting**

Upon request, we will prepare and mail W-2 Wage and Tax Statements to employees at no additional charge to the employer. If we have agreed to pay the employer's share of FICA taxes, we will prepare and mail W-2 Wage and Tax Statements. We prepare W-2 Wage and Tax Statements using the applicable insuring company's federal tax identification number.

A signed FICA Match / W2 Tax Agreement is required on all disability cases.

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# Benefit Highlights

## Long Term Disability Insurance

### **Eligibility**

Eligibility is as indicated in the Plan Design Summary. To be eligible, employees must be legally working in the United States and regularly working the minimum number of hours as agreed. Employees may have to complete a Waiting Period. Seasonal, part-time and temporary employees are not eligible.

### **Elimination Period**

Elimination Period is the period of time from the onset of disability until benefits begin. The elimination period is indicated in the Plan Design Summary.

Total Disability is not required during the elimination period and can be satisfied with days of Partial or Total Disability. Additionally, there is no earnings loss requirement during the elimination period.

### **Trial Work Day Period**

To encourage employees to return to work, employees may attempt to return to work full-time during their elimination period, without being required to restart the elimination period. Employees can temporarily return to work for a period up to 1/2 the elimination period and do not have to begin their elimination period again if they stop working due to the same condition.

### **Maximum Period Payable**

Long Term Disability Benefits are payable based on the following schedule.

### **Social Security Normal Retirement Age (SSNRA)**

The maximum period of payment will be determined according to the following table:

<u>Age When Disability Begins</u>	<u>Maximum Period Payable</u>
Less than age 60	To Social Security Normal Retirement Age (SSNRA)
Age 60	60 months or to SSNRA, whichever is greater
Age 61	48 months or to SSNRA, whichever is greater
Age 62	42 months or to SSNRA, whichever is greater
Age 63	36 months or to SSNRA, whichever is greater
Age 64	30 months or to SSNRA, whichever is greater
Age 65	24 months
Age 66	21 months
Age 67	18 months
Age 68	15 months
Age 69 and over	12 months

### **Definition of Disability**

Disabled means that the employee is Totally Disabled or Partially Disabled due to an injury or sickness. The employee must be under the regular care of a doctor who is appropriate for the disabling condition. Loss of professional license or certification does not in and of itself mean the employee is Disabled.

### **Total Disability**

During the Own Occupation Period as indicated in the Plan Design Summary, Totally Disabled means the insured must be unable to perform the material and substantial duties of their regular occupation and/or\* have disability earnings less than 20%\* of their pre-disability income.

After the own occ period, Totally Disabled means the insured must be unable to engage in any gainful occupation and/or\* have disability earnings less than 20%\* of their pre-disability income.

\* See Plan Design Summary for class specifics

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### **Partial Disability**

During the Own Occupation Period as indicated in the Plan Design Summary, Partially Disabled means the insured must have suffered an injury or sickness and as a result is earning between 20%\* and the percentage of their pre-disability income as indicated in the Plan Design Summary. Following the own occupation period, Partially Disabled means the insured is gainfully employed and earning between 20%\* and the percentage of their pre-disability income indicated in the Plan Design Summary.

During the elimination period, there does not need to be a loss of income to be considered either Partially or Totally Disabled.

*\* See Plan Design Summary for class specifics*

### **Recurrent Disability**

If disability for which benefits were payable ends but recurs due to the same or related causes less than 6 months after the end of a prior disability, it will be considered a resumption of the prior disability. Such recurrent disability shall be subject to the provisions of the policy that were in effect at the time the prior disability began.

Disability which recurs more than 6 months after the end of a prior disability is subject to:

- A new Elimination Period;
- A new Maximum Period Payable; and
- The other provisions of the policy that are in effect on the date the disability recurs.

Disability must recur while the employee's coverage is in force under the policy.

### **LTD Monthly Benefit**

If the employee meets the definition of Total Disability, they are eligible to receive an LTD Monthly Benefit.

### **Work Incentive Benefit**

If the employee meets the definition of Partial Disability, they are eligible to receive a Work Incentive Benefit.

To encourage disabled employees to return to work in some capacity, a Work Incentive Benefit is offered to all Partially Disabled employees.

For the number of months indicated in the Plan Design Summary, we will pay the full monthly benefit as long as the combination of the benefit plus earnings does not exceed 100% of their indexed pre-disability income.

After this period, our benefit will be calculated by multiplying the benefit times the adjusted loss of salary ratio.

### **Rehabilitative Incentive Income**

A unique standard feature of the LTD contract is the Rehabilitation Incentive Income feature. If we identify a partially disabled employee as a candidate for a rehabilitation program, we will work with them to structure a voluntary rehabilitation plan that assists the employee in returning to employment. The Plan details the vocational rehabilitation services available to the employee.

While the employee is participating in a voluntary rehabilitation plan, and continues to meet the obligations of the program, we will allow the employee to retain a combination of benefits and disability income in excess of 100% of their indexed pre-disability income, for 12 months.

After 12 months, we will offset the LTD benefit by multiplying the benefit times the adjusted loss of salary ratio.

### **Pre-Existing Condition Exclusion**

Benefits are not payable for a disability caused by a condition that existed on the employee's effective date as indicated below:

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- A sickness or injury for which the employee received medical treatment, or advice was rendered, prescribed or recommended whether or not the sickness was diagnosed at all or misdiagnosed within the number of months prior to the employee's effective date as indicated in the Plan Design Summary, and
- The condition results in a Disability that begins within the number of months after the employee's effective date as indicated in the Plan Design Summary.

**Mental and Nervous Disorder Limitation**

Disabilities due to Mental and/or Nervous disorders are limited to the number of months shown in the Plan Design Summary, unless the disabled employee is confined to a facility licensed for the treatment of Mental and Nervous disorders.

**Substance Abuse Limitation (Drug and Alcohol)**

Disabilities due to Substance Abuse disorders are limited to the number of months shown in the Plan Design Summary, unless the disabled employee is confined to a facility licensed for the treatment of Substance Abuse disorders.

**Worksite Modification Benefit**

This benefit assists in covering the cost of modifying the disabled employee's worksite to allow that employee to return to work. Once all parties agree on the modification to be performed, We will reimburse the employer the actual cost of the modification, up to the amount shown in the Plan Design Summary.

**Survivor Income Benefit**

If a disabled employee dies after having been disabled for a minimum of 180 consecutive days and was receiving benefits under the policy, we will pay a lump sum benefit equal to the number of months of gross benefit as indicated in the Plan Design Summary.

**Day Care Expense Benefit**

To assist employees taking advantage of our Rehabilitative Incentive Income feature, we offer Day Care Expense Benefits. This benefit reimburses claimants for any day care expenses they may incur for children under age 13 while participating in the rehabilitation program. The benefit pays up to the amount indicated in the Plan Design Summary, to an overall monthly maximum of \$1,000.

**Extension of Coverage for FMLA Leave**

If an insured employee is eligible for and received approval for leave under the Family and Medical Leave Act of 1993 (FMLA) or any applicable state family and medical leave law, insurance will continue (provided premium continues to be paid) for a period up to the later of:

- The leave period permitted by FMLA and any amendments; or
- The leave period permitted by applicable state law.

**EXCLUSIONS**

The policy does not cover any loss or Disability caused by, resulting from, arising out of or substantially contributed, directly or indirectly, to by any one or more of the following:

- A Pre-Existing Condition
- Commission of, participation in, or an attempt to commit an assault or felony;
- Intentionally Self-Inflicted Injuries
- Participation in a war, declared or undeclared;
- Active military duty;
- Active Participation in a Riot;
- Commission of a Felony for which the insured has been convicted.

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## **Enhanced Product Services Included with Long Term Disability Insurance**

### **Disability Resource Services - Telephonic and Face-to-Face Support for Behavioral Health Issues**

Provided to all groups with Long-Term Disability coverage:

- 24 Hour telephonic support (for all Long-Term Disability insureds) for behavioral health issues. A staff of master degree clinicians is available to provide each caller with assessment, counseling and referral advice for face-to-face counseling. Offered at no additional charge, these services enhance the value of an employee benefit program while helping to manage employee productivity and minimize absences.
- Face-to-face counseling. Up to 3 face-to-face counseling sessions per year to address appropriate behavioral health issues.
- Guidance Resources <sup>®</sup> Online is a secure, password-protected interactive Web site that contains self-assessments, search tools, extensive content on personal health and powerful tools to help with personal, relational, legal, health and financial concerns. This service is free of charge to you, your insured employees and their families. Assistance through Guidance Resources <sup>®</sup> Online is available 24 hours a day, 7 days a week.

Enhanced Employee Assistance Programs (EAPs) are available. Contact your Dearborn National representative for more information.

*Guidance Resources <sup>®</sup> Online and Employee Assistance Programs (EAPs) are made available through ComPsych <sup>®</sup>, a worldwide leader in EAPs, managed behavioral health, work-life services, crisis intervention and Human Resources support services.*