

# Employee Benefits Insurance Proposal

Issued by American United Life Insurance Company®,  
a OneAmerica® company



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## St Moritz Group

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Proposal Date: 10/24/2014  
Proposed Effective Date: 01/01/2015

### *About OneAmerica® and AUL®*

OneAmerica Financial Partners, Inc., is headquartered in Indianapolis, IN. The companies of OneAmerica can trace their solid foundations back more than 125 years in the insurance and financial services marketplace.

OneAmerica's nationwide network of companies offers a variety of products to serve the financial needs of their policyholders and other clients. These products include retirement plans, products and services; individual life insurance, annuities, long-term care solutions and employee benefits. The goal of OneAmerica is to blend the strengths of each company to achieve greater collective results.

American United Life Insurance Company® (AUL) is the founding member of OneAmerica. We deliver on our promises when customers need us most. AUL is licensed and authorized to conduct insurance and retirement business in every state (except New York) and the District of Columbia. OneAmerica is a holding company and is not a licensed insurance company. Visit us at <http://www.oneamerica.com>.

Proposal for: St Moritz Group  
 Prepared: 10/24/2014 7:10 AM

Products and financial services provided by  
 American United Life Insurance Company®  
 a ONEAMERICA® company  
 One American Square, P.O. Box 6123  
 Indianapolis, IN 46206-6123  
 (800) 553-5318



**Proposed Effective Date: 01/01/2015**

## ***Group Worksite Disability Insurance Options***

<b>Class Description:</b>	All Eligible Full-Time Employees <sup>1</sup>
<b>Required Minimum Number of Hours Worked:</b>	20 hours weekly
<b>Employer Contribution Percentage:</b>	0%
<b>Participation Requirement:</b>	Greater of 10 insured employees or 25% of all eligible employees.

<b>Features</b>	<b>LTD Option 1</b>	<b>LTD Option 2</b>	<b>LTD Option 3</b>
<b>Benefit Percentage:</b>	60%	60%	60%
<b>Maximum Monthly Benefit:</b>	\$6,000	\$6,000	\$6,000
<b>Elimination Period:</b>	90 Days	90 Days	90 Days
<b>Maximum Benefit Duration:</b>	2 yrs to age 70	5 yr/SSFRA	SSFRA
<b>Pre-Existing Condition Exclusion:</b>	3/12	3/12	3/12
<b>Partial Disability Benefit:</b>	Yes – Proportionate loss	Yes – Proportionate loss	Yes – Proportionate loss
<b>Residual Benefit:</b>	Yes	Yes	Yes
<b>Return To Work Benefit:</b>	12 months	12 months	12 months

### ***Benefit Features Offered for Group Worksite Disability Insurance:***

Continuation of Personal Insurance under Family Medical Leave Act (FMLA)  
 Continuation of Personal Insurance during Leave of Absence  
 Continuation of Personal Insurance during a Temporary Lay Off  
 Continuation of Personal Insurance during Leave of Absence for Active Military Service  
 Individual Reinstatement - 90 days  
 Social Security Integration - Family  
 Normal pregnancy and certain complications included in definition of sickness  
 Minimum Monthly Benefit - \$100  
 Portability Privilege (12-month continuation of coverage)  
 Recurrent Disability Provision - 6 months  
 Waiver of Premium  
 Workplace Modification Benefit  
 Tax Reporting Services - pertaining to Employee FICA, Employer FICA, IRS Form W2 & 941

<sup>1</sup> Use of the term “Employee” includes employees, owners, members, partners, shareholders, or participants eligible to apply for coverage under American United Life Insurance Company® (AUL) contract.

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## **Long Term Disability**

### **Benefit Features Offered for Long Term Disability:**

- Cost of Living Adjustment Freeze
- Mandatory Rehabilitation Program
- Total Disability Definition - Regular Occupation - 24 months
- Survivor Benefit – 3 times last Gross Monthly Benefit
- Gainful Occupation -Option 2 (80% if working / 60% if not working)  
Option 3 (80% if working / 60% if not working)

### **Limitations:**

- Mental Illness - 24 months lifetime cumulative. Applies to Option 1, Option 2, Option 3
- Drug & Alcohol Abuse - 24 months lifetime cumulative. Applies to Option 1, Option 2, Option 3
- Special Conditions - 24 months lifetime cumulative. Applies to Option 1, Option 2, Option 3

An eligible employee is a full-time employee authorized to work and reside in the United States. Eligible employees must work the required minimum number of hours and cannot be considered a part-time, temporary or seasonal employee. If any eligible employee is not actively at work on the contract effective date, group insurance coverage for that employee will not exist until he/she returns to full-time active work.

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## ***Proposed Premium Rates for Group Worksite Disability Insurance***

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<b>Age Category*</b>	<b>LTD Monthly Premium Rate per \$100 of Covered Monthly Earnings Option 1</b>	<b>LTD Monthly Premium Rate per \$100 of Covered Monthly Earnings Option 2</b>	<b>LTD Monthly Premium Rate per \$100 of Covered Monthly Earnings Option 3</b>
0-19	\$0.250	\$0.280	\$0.410
20-24	\$0.360	\$0.400	\$0.570
25-29	\$0.410	\$0.490	\$0.750
30-34	\$0.640	\$0.770	\$1.210
35-39	\$0.890	\$1.110	\$1.850
40-44	\$1.250	\$1.610	\$2.760
45-49	\$1.730	\$2.300	\$3.920
50-54	\$2.400	\$3.250	\$5.270
55-59	\$3.350	\$4.820	\$7.080
60-64	\$6.630	\$5.750	\$6.500
65-69	\$3.700	\$3.250	\$3.670
70+	\$2.650	\$2.300	\$2.580

The proposed premium rates are guaranteed for 3 years. Any variation in benefits or services will make these rates invalid.

\*An eligible employee's age will be determined as of the Policyholder's anniversary date. If the anniversary date and the effective date are identical, the employee's age will be determined as of the Policyholder's effective date of coverage. Premium rates for each employee will increase for events such as when the employee enters a new age category.

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## ***Proposed Premiums for Group Worksite Disability Insurance***

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This proposal is based on 2860 eligible employees.

If an employee is eligible and enrolls timely, the employee will be able to apply for coverage without providing Evidence of Insurability. After the initial enrollment period, eligible employees may apply for coverage under another option only during an approved scheduled enrollment period. However, any change in coverage will then require medical underwriting and written approval by American United Life Insurance Company® (AUL).

Any change in the above amounts of coverage and/or number of employees insured will invalidate the proposed premium rates and require further evaluation by AUL. To be eligible for the above premium rates and coverages, the required number of insured employees must be the greater of 10 enrolled employees or 25% of all eligible employees. The required percentage of insured employees for Group Worksite short term disability and/or Group Worksite long term disability coverage issued to the policyholder is 25% of all eligible employees.

The proposed effective date of coverage under AUL's contract will be 1/1/2015. No insurance coverage shall exist or become effective until approved in writing by AUL at its Indianapolis, Indiana home office. AUL shall not be liable or responsible for any loss or benefits incurred prior to AUL's effective date of coverage for any insured.

### **Tax Reporting Services offered**

Deduct and deposit with the IRS employee FICA, if any; prepare and issue W-2 Forms; Pay and deposit with IRS Employer FICA portion, if any; and prepare and file IRS Form 941 (Employer's Quarterly Federal Tax return) or 944 with the IRS, if applicable.

### **Additional information**

Any sick pay services will be performed pursuant to IRS Employer's Tax Guide or applicable tax publication and AUL is not considered the employer's agent. The employer/policyholder remains responsible and liable for all withholding, depositing, and reporting obligations not agreed to be provided by AUL.

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### **Proposal Conditions**

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**The following are assumptions and conditions upon which this proposal is offered:**

1. This invitation to inquire allows interested employers an opportunity to inquire further about group insurance coverage and is limited in its description of the losses for which benefits may be payable. The contract has exclusions, limitations, reduction of benefits, and terms under which it may be continued in force or discontinued. The contract may contain a waiting or elimination period between the effective date of the contract and the effective date of coverage, and between the date a loss occurs and the date benefits begin to be payable for the loss.
2. Estimated rates are available for 60 calendar days following the proposal date. Actual monthly premium will be calculated and quoted by AUL. Premium rates do increase upon reaching certain age brackets, according to contract terms, and are subject to change. Any deviation from the benefits selected and/or information supplied by employer will invalidate this proposal and require reevaluation of any terms/conditions offered by AUL. Employer warrants and represents, to the best of its knowledge, no participants who may apply for coverage have any illnesses that could affect premium rates, benefits or coverage approval.
3. Rates and coverage are dependent upon the employer being in business and operational at least 2 consecutive years.
4. Coverage continues while required premium is paid and employer receives coverage under the AUL group contract. Benefits payable under the contract may be based on a percentage of an employee's covered earnings subject to AUL's approval, contract maximums, contract reductions, and according to contract terms and conditions. If a choice of the amount of benefits is offered, the amount of benefits provided depends upon the coverage selected and premium can vary with the amount of benefits selected. If a range of benefit levels is present, the applicant is only entitled to the benefit level shown in the contract.
5. Rates assume an SIC code of 7381.
6. Any coverage offered by AUL prior to and after the effective date of coverage is contingent upon information and documents received by AUL being accurate and reliable. Final premium costs will be calculated by AUL based on the final enrollment data of employees insured on the effective date.
7. AUL's group insurance policies are nonparticipating contracts.
8. Certain disabilities are not covered if the cause of the disability is traceable to a condition existing prior to the insured's effective date of coverage. A pre-existing condition is any condition for which a person has done any of the following at any time during the period of time as stated in the policy: 1) received medical treatment or consultation; 2) taken or were prescribed drugs or medicine; or 3) received care or services, including diagnostic measures. Insureds must also be treatment-free for a time-frame specified in some contracts following the individual effective date of coverage.
9. AUL assumes employer has existing Worker's Compensation insurance coverage.
10. Claims under AUL's group disability insurance contracts are administered by Disability RMS, a Third Party Administrator located in Westbrook, Maine.
11. All products and benefits may not be available or offered in all states. Contact your AUL regional group insurance representative for availability of products and benefits

**EMPLOYER SHOULD RETAIN AND NOT TERMINATE ANY OTHER GROUP INSURANCE COVERAGE UNTIL WRITTEN APPROVAL HAS BEEN RECEIVED FROM AUL.**