



# Your Group Critical Illness Insurance Proposal

**Prepared for:** Member of Kentucky Chamber of Commerce

**Presented by:** Kentucky Chamber of Commerce

**Proposal prepared on:**

Wednesday, February 19, 2020

**Proposal effective date:**

Monday, June 01, 2020

**Standard Insurance Company**

**Proposed Effective Date:**

June 1, 2020

**Presented By:**

Kentucky Chamber of Commerce

**Prepared For:**

Member of Kentucky Chamber of  
Commerce



# Group Critical Illness Insurance

Medical insurance alone can't stop a major diagnosis from draining an employee's finances. Copays, deductibles, alternative treatments — these unexpected expenses add up quickly. Critical Illness insurance gives your employees an affordable option for easing the financial burden that can come with a serious illness. Under this plan, children are covered automatically at no extra cost.

## Covered Members

A regular employee of the employer working 20 hrs per week in the United States.

Class Definition: All eligible

Employer selects one plan design to offer to employees

## Plan Design

Plan Level

Premier

### Covered Critical Illnesses

- Cancer
- Carcinoma In Situ
- End-stage Renal (Kidney) Failure
- Major Organ Failure
- Myocardial Infarction (Heart Attack)
- Severe Coronary Artery Disease with Recommendation of Bypass
- Stroke
- Coma
- Paralysis
- Loss of Hearing, Sight, or Speech
- Occupational Hepatitis
- Occupational HIV
- Advanced Alzheimer's Disease
- Advanced Multiple Sclerosis
- Advanced Parkinson's Disease
- Amyotrophic Lateral Sclerosis
- Benign Brain Tumor
- Bone Marrow Transplant
- 21 childhood diseases<sup>1</sup>

### Family Coverage

Employee/Child(ren), Spouse

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<b>Plan Level</b>	Premier
<b>Coverage Amount: Employee</b>	\$20,000
<b>Coverage Amount: Spouse</b>	\$10,000
<b>Coverage Amount: Child</b>	25% of the Employee Amount
<b>Rates</b>	Attained Age, Unisex, Tobacco Distinct
<b>Guarantee Issue (Employee)</b>	\$20,000
<b>Guarantee Issue (Spouse)</b>	\$10,000
<b>Guarantee Issue (Children)</b>	25% of the Employee Amount
<b>Annual Open Enrollment</b>	Included
<b>Employer Contribution</b>	0%
<b>Minimum Participation</b>	10 Lives
<b>Policy Situs State</b>	KY
<b>Pre-existing Condition</b>	None
<b>Initial Diagnosis</b>	Must occur after the effective date of coverage.

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Plan Level	Premier
<b>Health Maintenance Screening Benefit</b>	\$50 per insured per calendar year.
<b>Portability</b>	Included
<b>Reoccurrence</b>	100%

\*Carcinoma in situ and Severe Coronary Artery Disease with Recommendation of Bypass are paid at 25% of the coverage amount. All other critical illnesses are paid at 100% of the coverage amount unless otherwise indicated.

continued



## Additional Plan Design Details:

- <sup>1</sup>Covered Child critical illness: Anal Atresia, Anencephaly, Biliary Atresia, Cerebral Palsy, Cleft Lip or Cleft Palate, Club Foot, Coarctation of the Aorta, Cystic Fibrosis, Diaphragmatic Hernia, Down's Syndrome, Gastroschisis, Hirschsprung's Disease, Hypoplastic Left Heart Syndrome, Infantile Hypertrophic Pyloric Stenosis, Muscular Dystrophy, Omphalocele, Patent Ductus Arteriosus, Spina Bifida Cystica with Myelomeningocele, Tetralogy of Fallot, Transposition of the Great Arteries.
- Issue age 18-70 for Employee and Spouse; birth to age 26 for children.
- Spouse Coverage cannot exceed 50% of the Employee Amount.
- Initial diagnosis of covered critical illness must occur while the insured is covered under the group policy. Benefits will not be paid for a diagnosis that occurs prior to the effective date.
- Benefits paid under the Critical Illness Insurance policy when purchased with employee post-tax income are excluded from claimant gross income under current federal tax law.
- Evidence of insurability is not required at initial enrollment or during the annual open enrollment period. Members and spouses that do not enroll when they are first eligible may enroll during the annual open enrollment period.
- Coverage terminates at age 80 for employee and spouse. Child coverage terminates at age 26.
- Portability is automatically included. Employees are able to take their Critical Illness coverage with no change in coverage.
- Additional Occurrence Benefit: The amount payable for any additional covered critical illness that is different and subsequent to an initial critical illness is 100% of the coverage amount. The required diagnosis or recommendation for a different and subsequent critical illness must be made at least 90 days after the preceding critical illness.
- Reoccurrence Benefit:
 

If a critical illness benefit is payable and there is a subsequent diagnosis or recommendation for the same critical illness, a reoccurrence benefit equal to 100% of the coverage amount is payable if the insured meet both of the following:

  - The insured has been continuously insured under the group policy between the initial and subsequent diagnosis or recommendation
  - The insured has served a 12 month treatment free period during such continuous insurance.
- Health Maintenance Screening Benefit: Auto-pay is available for covered screenings completed by employees at their employer's Health Fair.
- Includes ongoing annual open enrollment with Guarantee Issue.

continued

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**Non-Tobacco Monthly Premiums**

**Premier - Attained Age Rates**

**<30      30-39      40-49      50-59      60-70      71-79**

\$10,000	\$3.30	\$5.00	\$9.90	\$19.30	\$35.70	\$73.40	
\$20,000	\$6.60	\$10.00	\$19.80	\$38.60	\$71.40	\$146.80	

**Tobacco Monthly Premiums**

**Premier - Attained Age Rates**

**<30      30-39      40-49      50-59      60-70      71-79**

\$10,000	\$3.60	\$5.90	\$14.20	\$33.60	\$70.20	\$135.70	
\$20,000	\$7.20	\$11.80	\$28.40	\$67.20	\$140.40	\$271.40	

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**Annual Rate per \$1000**

**Premier**

Age Band	Non-Tobacco	Tobacco
< 30	\$3.960	\$4.320
30 - 39	\$6.000	\$7.080
40 - 49	\$11.880	\$17.040
50 - 59	\$23.160	\$40.320
60 - 70	\$42.840	\$84.240
71 - 79	\$88.080	\$162.840

To convert annual rates to deductions, multiply by units of coverage, divide by the number of deductions per year and round to the nearest penny.

continued



## Assumptions

- Rate assumes a 24 month rate guarantee.
- Proposal assumes level commissions.
- This proposal assumes 10-99 eligible lives. Must have minimum 10 lives enrolled.
- Employer selects one plan design to offer to employees.
- Employee age and tobacco status used for spouse rates.

## Conditions

- Minimum of 10 lives required.
- Proposed rate includes electronic documents. Printed certificates are available at an additional cost.
- New hires will be enrolled on a perpetual basis.
- No competing critical illness plan will be offered on payroll deduction.
- Continuity of Coverage is included.

## Exclusions and Limitations

Benefits are not payable if a critical illness is caused or contributed to by any of the following:

- War or act of war.
- Attempted suicide or other intentionally self-inflicted Injury, while sane or insane.
- Committing or attempting to commit an assault, felony, act of terrorism, or actively participating in a violent disorder or riot.
- The voluntary use or consumption of any poison, chemical compound, drug, or alcohol in excess of the legal limit in the state in which the critical illness occurred, unless used or consumed according to the directions of a Physician.
- Initial diagnosis outside of the United States.
- Elective surgery or other procedure which:

Does not promote the proper function of the body or prevent or treat sickness or injury.

Is directed at improving the insured's appearance, unless such cosmetic surgery or procedure is necessary to correct a deformity resulting from a congenital abnormality or disfigurement.

This exclusion will not apply to a critical illness caused or contributed to by donation of an organ or tissue.

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## Producer Compensation Disclosure

We recognize the valuable role of insurance advisors, consultants and brokers ("producers") in helping their clients design an employee benefits program, and we support reasonable and fair compensation for these services. Producers may be eligible to receive compensation from The Standard.

The commission quoted in this proposal are noted below. Additionally, fees for administrative, marketing or consulting services may apply. If applicable, fees are noted below.

Normal commission scale (<https://www.standard.com/financial-professional/insurance-benefits/compensation>) included for critical illness insurance.

An Override of 5% is included. An override is compensation paid in addition to or in lieu of commissions.

Unless participation is declined by the producer or client, contingent compensation is additional compensation that may also be paid and is dependent on the satisfaction of one or more minimum requirements, such as a specified amount of new premium volume or persistency in connection with the producer's block of business. For information about our customary producer rewards program visit <https://www.standard.com/financial-professional/insurance-benefits/compensation>. Some producers may have a contingent compensation arrangement that differs from our customary program. Please consult with your producer for additional details.

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## About this Employee Benefits Proposal

We appreciate the opportunity to provide you with this benefit and cost summary proposal from The Standard. This document outlines certain important features of the group insurance coverages available. This is not a contract or an offer to contract for such coverages. Detailed information about other important features of the coverage proposed is available on request. Just ask your broker/consultant or your representative at The Standard.

A completed application must be submitted before a group can be considered for coverage. Insurance will be effective after the application is accepted by The Standard. If approved, we will issue a contract containing our customary language. It will not duplicate policy language from another carrier. The group contract will contain provisions and defined terms not described in this Employee Benefits Proposal. The group contract will control if there are discrepancies between it and this proposal.

This benefit and cost summary proposal expires on Tuesday, May 19, 2020 unless replaced or withdrawn by The Standard.

The proposed premium rate and plan design for each coverage are based on the underwriting data received by The Standard. Final premium rates and plan provisions will be determined by The Standard 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.

## Standard Insurance Company Financial Strength Ratings

For information about our financial strength ratings visit [www.standard.com/about](http://www.standard.com/about).

This is a limited benefit policy.

The Standard is a marketing name for StanCorp Financial Group, Inc. and subsidiaries. Insurance products are offered by Standard Insurance Company, 1100 SW 6th Avenue, Portland, Oregon, 97204 in all states except New York. Product features and availability vary by state and are solely the responsibility of Standard Insurance Company.