

State of Nebraska
5956 Z1
Original

A proposal prepared by CIGNA
December, 2018



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to help achieve healthier, more secure lives.

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Cost Sheet

**REVISED COST PROPOSAL
RFP 5956 Z1
STD AND LTD INSURANCE PLAN OPTIONS**

Bidder Name: Life Insurance Company of North America, (LINA), a Cigna Company.

Bidders shall fill in proposed premium amounts for each column provided below.

Prices submitted on the cost proposal form, once accepted by the State, shall remain fixed for the initial period of the contract. Any request for a price increase subsequent to the initial period of the contract shall not exceed five percent (5%) of the price bid for the period. Increases shall not be cumulative and will only apply to that period of the contract. The request for a price increase must be submitted in writing to the State Purchasing Bureau a minimum of 120 days prior to the end of the current contract period. Documentation may be required by the State to support the price increase.

Each monthly premium amount proposed should be evenly divisible by "2" with no rounding to accommodate two even deductions per month through our payroll system. Any premium amount not divisible by "2" will be reduced to the nearest lower amount that is divisible by "2" for scoring. By submitting this proposal, Bidder accepts this lower amount if a contract is awarded.

This is the rate an employee will pay for 60% of basic gross monthly pay.

SHORT TERM DISABILITY INSURANCE, 1ST DAY ACCIDENT, 8TH DAY ILLNESS	Initial Period Year One	Initial Period Year Two	Initial Period Year Three	Optional Renewal One	Optional Renewal Two	Optional Renewal Three
Rate per \$10 of Weekly Benefit						
Under 25	0.74	0.74	0.74			
25-29	0.74	0.74	0.74			
30-34	0.74	0.74	0.74			
35-39	0.74	0.74	0.74			
40-44	0.74	0.74	0.74			
45-49	0.74	0.74	0.74			
50-54	0.74	0.74	0.74			
55-59	0.92	0.92	0.92			
60-64	1.08	1.08	1.08			
65-69	1.18	1.18	1.18			
70 & Over	1.18	1.18	1.18			

LONG TERM DISABILITY INSURANCE, 6 MONTH ELIMINATION PERIOD	Initial Period Year One	Initial Period Year Two	Initial Period Year Three	Optional Renewal One	Optional Renewal Two	Optional Renewal Three
Rate per \$100 of Monthly Covered Payroll						
Under 25	0.08	0.08	0.08			
25-29	0.12	0.12	0.12			
30-34	0.16	0.16	0.16			
35-39	0.18	0.18	0.18			
40-44	0.22	0.22	0.22			
45-49	0.3	0.3	0.3			
50-54	0.44	0.44	0.44			
55-59	0.52	0.52	0.52			
60-64	0.54	0.54	0.54			
65-69	0.56	0.56	0.56			
70 & Over	0.6	0.6	0.6			

Cigna Proposals

Short Term Disability PROPOSAL

Prepared For:

State of Nebraska

Requested By: ***** Direct Business *****

Proposed Effective Date: July 1, 2019

Underwritten By: **Life Insurance Company of North America**

The information contained in the following response/proposal is confidential and proprietary information of the insurance company making the proposal. It is being provided with the understanding that it will not be used by State of Nebraska, its representatives or consultants for any purpose other than the evaluation of the insurance company's proposal in connection with the services sought by State of Nebraska. Dissemination of the information contained herein by State of Nebraska, its representatives and consultants shall be limited to their respective employees who are directly involved in the evaluation process. Under no circumstances is any of the information contained herein (including excerpts, summaries, extracts and evaluations thereof) to be used, disseminated, disclosed or otherwise communicated to any person or entity other than State of Nebraska and its representatives and consultants involved in the evaluation process.

Together, all the way.SM



"Cigna," "Cigna Group Insurance" and the "Tree of Life" logo are registered service marks, and "Together, all the way." is a service mark, of Cigna Intellectual Property, Inc., licensed for the use by Cigna Corporation and its operating subsidiaries. All products and services are provided by or through such operating subsidiaries and not by Cigna Corporation. As used in this proposal, these service marks refer to the insurance company which has issued this proposal.

**State of Nebraska
Short Term Disability Proposal
Schedule of Benefits Summary**

Eligibility	Class 1: AAFT Non Union Class 2: AAFT Union
Number of Eligible Employees	Class 1: 13,876 Class 2: 1,522
Weekly Benefit	60% to \$1,731
Benefit Waiting Period	Class 1: 0 Days for Accident 7 Days for Sickness Class 2: 0 Days for Accident 7 Days for Sickness
Definition of Covered Earnings	Employee's annual wage or salary excluding bonuses, commissions, overtime pay, and extra compensation.
Eligibility Waiting Period	No waiting period
Plan Type	Class 1: Voluntary Class 2: Voluntary
Participation Requirement	25% of eligible employees
Maximum Duration from Date of Disability	Class 1: 26 Weeks (Includes Benefit Waiting Period) Class 2: 26 Weeks (Includes Benefit Waiting Period)
Maximum Weekly Payments	Class 1: 26 Weeks Accident and 25 Weeks Sickness Class 2: 26 Weeks Accident and 25 Weeks Sickness

Benefits below apply to the following classes: 1, 2	
Accumulated Sick Leave	Not Included in Benefit Waiting Period
1st Day Hospitalization Coverage	Not Included
Definition of Disability	Own Job
Earnings Test	80%
Minimum Benefit	\$25 per week
Social Security Integration Type	Full Family
Other Sources of Income	See Disability Contract Features
Statutory Disability Integration	Included as an offset
Employer Contribution	0%
Continuation of Insurance	Family Medical Leave (12 weeks) Family Medical Military Leave (12 weeks) Leave of Absence (3 months)
Pre-Existing Condition Limitation	3 months Prior/12 months Insured
Employer FICA Service	Excluded
Trial Work Days	Unlimited
Health and Welfare Deductions Service	Excluded
Coverage Type	Non Occupational

For additional descriptions, see Key Definitions and Provisions section below.

SHORT TERM DISABILITY RATE SUMMARY

Coverage	Weekly Gross Benefit	Monthly Rate per \$10 of Weekly Gross Benefit	Monthly Premium
STD	3,382,143	See Step Rates Below	See Step Rates Below

SHORT TERM DISABILITY STEP RATES

Class 1

	Rate	Premium
<20	\$0.740	\$238
20-24	\$0.740	\$5,453
25-29	\$0.740	\$16,354
30-34	\$0.740	\$21,712
35-39	\$0.740	\$25,437
40-44	\$0.740	\$23,172
45-49	\$0.740	\$27,043
50-54	\$0.740	\$29,905
55-59	\$0.920	\$49,343
60-64	\$1.080	\$57,945
65-69	\$1.180	\$28,328
70-74	\$1.180	\$5,194
75-79	\$1.180	\$692
80-84	\$1.180	\$94
85-89	\$1.180	\$81
90-94	\$1.180	\$0
95-99	\$1.180	\$0

Class 2

	Rate	Premium
<20	\$0.740	\$238
20-24	\$0.740	\$5,453
25-29	\$0.740	\$16,354
30-34	\$0.740	\$21,712
35-39	\$0.740	\$25,437
40-44	\$0.740	\$23,172
45-49	\$0.740	\$27,043
50-54	\$0.740	\$29,905
55-59	\$0.920	\$49,343
60-64	\$1.080	\$57,945
65-69	\$1.180	\$28,328
70-74	\$1.180	\$5,194
75-79	\$1.180	\$692
80-84	\$1.180	\$94
85-89	\$1.180	\$81
90-94	\$1.180	\$0
95-99	\$1.180	\$0

Rates are guaranteed for 3 years.

Rates are only valid if the product is sold as part of this package

SHORT TERM DISABILITY COMMISSION SUMMARY

Rates are Net of Commission

Included Cigna Programs and Services*

- **Cigna Life Assistance** - Employee Assistance counseling and work/life support offers telephonic and in person sessions to address many of life's challenges, legal and financial consultations, and online articles, resources and videos for work/life issues.
- **My Secure Advantage™**: 30-days' pre-paid expert money-coaching for all types of financial planning and challenges; includes identity theft and fraud resolution services, and online tools for state-specific wills and other important legal documents.
- **Cigna Healthy Rewards®** - Discounts on health and wellness services, including vision and hearing care, diet programs, fitness and weight management, massage, chiropractic care and acupuncture, and more.

*These programs are NOT insurance and do not provide reimbursement for financial losses. Participants are required to pay the entire discounted charge for any products or services purchased through these programs. Programs are provided through third party vendors who are solely responsible for their products and services. Health Advocacy services are not available to existing clients of Health Advocate, Inc. These programs are not available under policies insured by Cigna Life Insurance Company of New York, with exception of Cigna Secure Travel® evacuation and repatriation benefits, and the retained asset accounts provided through Cignassurance®. Full terms, conditions and exclusions are contained in the applicable client program description, and are subject to change. Program availability may vary by plan type and location, and are not available where prohibited by law.

Quality Service and Simplified Administration

- **Dedicated Account Managers** to oversee plan design effectiveness; provide ongoing consultative analysis and make recommendations to optimize productivity/minimize costs.
- **Dedicated Implementation Coordinators** to help ensure easy plan setup, answer questions, resolve issues and drive employee awareness and education through marketing and communications.
- **Dedicated Clinical and Expert Resources** which includes over 800 disability claim managers in four offices, 80 medical professionals, 9 medical directors, 35 vocational professionals, 65+ intake specialists and access to over 1,100 nurses and 500 doctors representing over 40 clinical specialties.
- **Comprehensive Reporting and Online Tools** to help make informed decisions and manage costs.
- **Verbal Authorization and Telephonic Intake** - Employees calling to report a disability claim can provide authorization to access medical information using a secure, confidential interactive voice response system, which allows for faster disability claim processing.
- **Pre-disability Vocational Services** - help employees with physical/psychological limitations that are at increased risk of a disability get the support they need to stay productive and on the job.
- **Social Security Advocacy** - program offers expert resources to help qualified employees apply and be approved for Social Security Disability Insurance.
- **Cigna's "Work Wellness" Website** <http://www.cigna.com/workwellness> is an online resource for customers which includes useful information on disability and return to work, general information on family medical leave, managing their particular health condition at work and more.

Disability Contract Features

- **Return to Work Incentive Benefit**
For the first 24 months of the benefits payable - allows an individual through a combination of work earnings and disability benefit, the potential to obtain 100% of pre-disability income.
- **Use of Trial Work Days**
Cigna offers an unlimited Number of days an employee can attempt to return to work without extending the elimination period.
- **Rehabilitation Program**
Rehabilitation expenses (which can include expenses for medical, education, moving, family care or other) are paid for at Cigna's discretion. No rehabilitation expense cap exists in our contract.
- **FICA Services**
Cigna offers three level of service for Employer Paid business - Self-report and pay, FICA reimbursement and FICA match - to accommodate the specific needs of our disability clients.
- **Integration With Other Income Sources Benefits are Reduced by Amounts Paid by the Following:**
 - Sick leave or salary continuance paid by the Employer
 - Mandatory "no fault" auto wage loss
 - Employer-funded retirement benefits (excludes 401(k) and supplemental plans)
 - Franchise or group disability plans
 - Worker's compensation
 - Damages for wage loss payable by third parties

- Income from employment (subject to return to work incentive)
(Government and worker's compensation subject to assumed receipt)

PROPOSAL PROVISIONS

- **This is not a contract...**

This proposal outlines some of the important features of the proposed group insurance program. The controlling provisions will be in the group insurance policy, and this proposal is not intended in any way to modify the provisions or their meanings.

If you decide to purchase the plan proposed here, we will send you a policy that fully describes all of the provisions of the group disability insurance coverage to which you and Life Insurance Company of North America (Cigna) have agreed.

To accept the terms of this proposal, you must notify Cigna of your acceptance by that date, and pay premium equal to the Total Basic Estimated Monthly Cost on the Schedule of Benefits Summary. This proposal may be withdrawn by Cigna at any time before acceptance.

- **Eligibility**

Cigna's eligibility requirements assume that employees are working on a full-time basis, and citizens of the United States, and working in the United States. Part-time, seasonal, temporary, contracted, leased or severed employees are not eligible, unless otherwise noted.

- **Policy on Rate Changes**

The rates and fees quoted within the proposal are based on information furnished to Cigna for the purpose of developing a proposal of group insurance. Cigna has assumed that the demographic and plan design information provided will be an accurate representation of your company at the time of implementation. Premium rates are guaranteed as noted in the product schedule of benefits. These rates and the guarantee assume that the number of eligible or insured employees does not change by more than 15% from the date of the census provided.

- **Policy on Contractual Language**

Cigna's contract language will be used without modification. Cigna will attempt to match the intent of disclosed policy provisions at the time of quote, but will not duplicate the existing policy language.

- **Medical Underwriting Status**

Medical Underwriting Activity Status Reports are sent to the location(s) designated by the employer and are typically distributed on a monthly basis. If online Medical Evidence of Insurability is quoted, Medical Underwriting Activity Reports (reporting status of medically underwritten coverage) are sent electronically to the employer and are typically distributed on a weekly basis.

- **Producer Compensation**

Cigna may have entered into, or may enter into, agreements with brokers, under which the insurance company compensates brokers for providing marketplace intelligence and other services intended to enhance the effectiveness of the insurance company's business. Cigna may also invite brokers to participate in events sponsored by the insurance company for the same purposes.

Any compensation paid may be based on meeting targets for new business production and persistency, and, if paid, is funded from the insurance company's overhead and is based on the broker's overall book of business with the insurance company. Any such payments are separate from commissions and, if applicable, will be included in ERISA Form 5500, Schedule A information provided by the insurance company.

Long Term Disability PROPOSAL

Prepared For:

State of Nebraska

Requested By: ***** Direct Business *****

Proposed Effective Date: July 1, 2019

Underwritten By: **Life Insurance Company of North America**

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**State of Nebraska
Long Term Disability Proposal
Schedule of Benefits Summary**

Eligibility	Class 1: AAFT Non Union Class 2: AAFT Union Class 3: AAFT Patrol Class 4: AAFT Judicial
Number of Eligible Employees	Class 1: 13,693 Class 2: 1,520 Class 3: 152 Class 4: 23
Monthly Benefit	60% to \$7,500
Benefit Waiting Period	Class 1: 180 days Class 2: 180 days Class 3: 180 days Class 4: 180 days
Definition of Disability	24 Months Own Occupation
Definition of Covered Earnings	Employee's annual wage or salary excluding bonuses, commissions, overtime pay, and extra compensation.
Eligibility Waiting Period	No waiting period
Earnings Test	80/80 AND
Plan Type	Class 1: Voluntary Class 2: Voluntary Class 3: Voluntary Class 4: Voluntary
Participation Requirement	25% of eligible employees

Benefits below apply to the following classes: 1, 2, 3, 4	
Accumulated Sick Leave	Not Included in Benefit Waiting Period
Minimum Benefit	\$100
Maximum Benefit Duration	Social Security Normal Retirement Age (SSNRA)
Benefit Reduction Schedule	Social Security Normal Retirement Age
Social Security Integration Type	Full Family
Other Sources of Income	See Disability Contract Features
Employer Contribution	0%
Survivors Benefits	3 months lump sum
Continuation of Insurance	Family Medical Leave (12 weeks) Family Medical Military Leave (12 weeks) Leave of Absence (3 months)
Pre-Existing Condition Limitation	3 months Prior/12 months Insured
Mental Illness Limitation	24 Month Lifetime Limitation
Substance Abuse Limitation	24 Month Lifetime Limitation
Chemical Sensitivity	No Limitation
Subjective Symptom Limitation	No Limitation
Return to Work Incentive	Included
Trial Work Days	Unlimited
Rehabilitation Benefits	Included
Health and Welfare Deductions Service	Excluded

For additional descriptions, see Key Definitions and Provisions section below.

LONG TERM DISABILITY RATE SUMMARY

Coverage	Monthly Covered Payroll	Monthly Rate per \$100 of Monthly Covered Payroll	Monthly Premium
LTD	24,899,662	See Step Rates Below	See Step Rates Below

LONG TERM DISABILITY STEP RATES

Class 1

	Rate	Premium
<20	\$0.080	\$18
20-24	\$0.080	\$442
25-29	\$0.120	\$1,999
30-34	\$0.160	\$3,674
35-39	\$0.180	\$4,906
40-44	\$0.220	\$5,612
45-49	\$0.300	\$8,834
50-54	\$0.440	\$13,345
55-59	\$0.520	\$19,614
60-64	\$0.540	\$19,039
65-69	\$0.560	\$8,632
70-74	\$0.600	\$1,380
75-79	\$0.600	\$177
80-84	\$0.600	\$22
85-89	\$0.600	\$22
90-94	\$0.600	\$0
95-99	\$0.600	\$0

Class 2

	Rate	Premium
<20	\$0.080	\$18
20-24	\$0.080	\$442
25-29	\$0.120	\$1,999
30-34	\$0.160	\$3,674
35-39	\$0.180	\$4,906
40-44	\$0.220	\$5,612
45-49	\$0.300	\$8,834
50-54	\$0.440	\$13,345
55-59	\$0.520	\$19,614
60-64	\$0.540	\$19,039
65-69	\$0.560	\$8,632
70-74	\$0.600	\$1,380
75-79	\$0.600	\$177
80-84	\$0.600	\$22
85-89	\$0.600	\$22
90-94	\$0.600	\$0
95-99	\$0.600	\$0

Class 3

	Rate	Premium
<20	\$0.080	\$18

20-24	\$0.080	\$442
25-29	\$0.120	\$1,999
30-34	\$0.160	\$3,674
35-39	\$0.180	\$4,906
40-44	\$0.220	\$5,612
45-49	\$0.300	\$8,834
50-54	\$0.440	\$13,345
55-59	\$0.520	\$19,614
60-64	\$0.540	\$19,039
65-69	\$0.560	\$8,632
70-74	\$0.600	\$1,380
75-79	\$0.600	\$177
80-84	\$0.600	\$22
85-89	\$0.600	\$22
90-94	\$0.600	\$0
95-99	\$0.600	\$0

Class 4

	Rate	Premium
<20	\$0.080	\$18
20-24	\$0.080	\$442
25-29	\$0.120	\$1,999
30-34	\$0.160	\$3,674
35-39	\$0.180	\$4,906
40-44	\$0.220	\$5,612
45-49	\$0.300	\$8,834
50-54	\$0.440	\$13,345
55-59	\$0.520	\$19,614
60-64	\$0.540	\$19,039
65-69	\$0.560	\$8,632
70-74	\$0.600	\$1,380
75-79	\$0.600	\$177
80-84	\$0.600	\$22
85-89	\$0.600	\$22
90-94	\$0.600	\$0
95-99	\$0.600	\$0

Rates are guaranteed for 3 years.

Rates are only valid if the product is sold as part of this package

LONG TERM DISABILITY COMMISSION SUMMARY

Rates are Net of Commission

Included Cigna Programs and Services*

- **Cigna Life Assistance** - Employee Assistance counseling and work/life support offers telephonic and in person sessions to address many of life's challenges, legal and financial consultations, and online articles, resources and videos for work/life issues.
- **My Secure Advantage™**: 30-days' pre-paid expert money-coaching for all types of financial planning and challenges; includes identity theft and fraud resolution services, and online tools for state-specific wills and other important legal documents.
- **Cigna Healthy Rewards®** - Discounts on health and wellness services, including vision and hearing care, diet programs, fitness and weight management, massage, chiropractic care and acupuncture, and more.

*These programs are NOT insurance and do not provide reimbursement for financial losses. Participants are required to pay the entire discounted charge for any products or services purchased through these programs. Programs are provided through third party vendors who are solely responsible for their products and services. Health Advocacy services are not available to existing clients of Health Advocate, Inc. These programs are not available under policies insured by Cigna Life Insurance Company of New York, with exception of Cigna Secure Travel® evacuation and repatriation benefits, and the retained asset accounts provided through Cignassurance®. Full terms, conditions and exclusions are contained in the applicable client program description, and are subject to change. Program availability may vary by plan type and location, and are not available where prohibited by law.

Quality Service and Simplified Administration

- **Dedicated Account Managers** to oversee plan design effectiveness; provide ongoing consultative analysis and make recommendations to optimize productivity/minimize costs.
- **Dedicated Implementation Coordinators** to help ensure easy plan setup, answer questions, resolve issues and drive employee awareness and education through marketing and communications.
- **Dedicated Clinical and Expert Resources** which includes over 800 disability claim managers in four offices, 80 medical professionals, 9 medical directors, 35 vocational professionals, 65+ intake specialists and access to over 1,100 nurses and 500 doctors representing over 40 clinical specialties.
- **Comprehensive Reporting and Online Tools** to help make informed decisions and manage costs.
- **Verbal Authorization and Telephonic Intake** - Employees calling to report a disability claim can provide authorization to access medical information using a secure, confidential interactive voice response system, which allows for faster disability claim processing.
- **Pre-disability Vocational Services** - help employees with physical/psychological limitations that are at increased risk of a disability get the support they need to stay productive and on the job.
- **Social Security Advocacy** - program offers expert resources to help qualified employees apply and be approved for Social Security Disability Insurance.
- **Cigna's "Work Wellness" Website** <http://www.cigna.com/workwellness> is an online resource for customers which includes useful information on disability and return to work, general information on family medical leave, managing their particular health condition at work and more.

Disability Contract Features

- **Return to Work Incentive Benefit**
For the first 24 months of the benefits payable - allows an individual through a combination of work earnings and disability benefit, the potential to obtain 100% of pre-disability income.
- **Use of Trial Work Days**
Cigna offers an unlimited Number of days an employee can attempt to return to work without extending the elimination period.
- **Rehabilitation Program**
Rehabilitation expenses (which can include expenses for medical, education, moving, family care or other) are paid for at Cigna's discretion. No rehabilitation expense cap exists in our contract.
- **FICA Services**
Cigna offers three level of service for Employer Paid business - Self-report and pay, FICA reimbursement and FICA match - to accommodate the specific needs of our disability clients.
- **Integration With Other Income Sources Benefits are Reduced by Amounts Paid by the Following:**
 - Social Security with other government retirement and disability programs
 - Sick leave or salary continuance paid by the Employer
 - Mandatory "no fault" auto wage loss
 - Employer-funded retirement benefits (excludes 401(k) and supplemental plans)
 - Franchise or group disability plans
 - Worker's compensation

- Damages for wage loss payable by third parties
 - Income from employment (subject to return to work incentive)
- (Government and worker's compensation subject to assumed receipt)

Maximum Benefit Period

This is the maximum length of time for which we will pay Disability Benefits to a disabled employee. Benefit payments may end earlier if the employee no longer qualifies under the terms or conditions of this policy.

The later of the Employee's SSNRA* or the Maximum Benefit Period listed below.

Age at Start of Disability

- age 62 or younger
- age 63
- age 64
- age 65
- age 66
- age 67
- age 68
- age 69 or older

Maximum Benefit Duration

- the employee's 65th birthday or the 42nd monthly disability benefit
- the 36th monthly disability benefit
- the 30th monthly disability benefit
- the 24th monthly disability benefit
- the 21st monthly disability benefit
- the 18th monthly disability benefit
- the 15th monthly disability benefit
- the 12th monthly disability benefit

PROPOSAL PROVISIONS

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If you decide to purchase the plan proposed here, we will send you a policy that fully describes all of the provisions of the group disability insurance coverage to which you and Life Insurance Company of North America (Cigna) have agreed.

To accept the terms of this proposal, you must notify Cigna of your acceptance by that date, and pay premium equal to the Total Basic Estimated Monthly Cost on the Schedule of Benefits Summary. This proposal may be withdrawn by Cigna at any time before acceptance.

Eligibility

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Policy on Rate Changes

The rates and fees quoted within the proposal are based on information furnished to Cigna for the purpose of developing a proposal of group insurance. Cigna has assumed that the demographic and plan design information provided will be an accurate representation of your company at the time of implementation. Premium rates are guaranteed as noted in the product schedule of benefits. These rates and the guarantee assume that the number of eligible or insured employees does not change by more than 15% from the date of the census provided.

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Medical Underwriting Status

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Producer Compensation

Cigna may have entered into, or may enter into, agreements with brokers, under which the insurance company compensates brokers for providing marketplace intelligence and other services intended to enhance the effectiveness of the insurance company's business. Cigna may also invite brokers to participate in events sponsored by the insurance company for the same purposes.

Any compensation paid may be based on meeting targets for new business production and persistency, and, if paid, is funded from the insurance company's overhead and is based on the broker's overall book of business with the

insurance company. Any such payments are separate from commissions and, if applicable, will be included in ERISA Form 5500, Schedule A information provided by the insurance company.